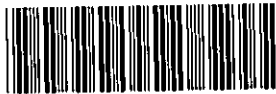


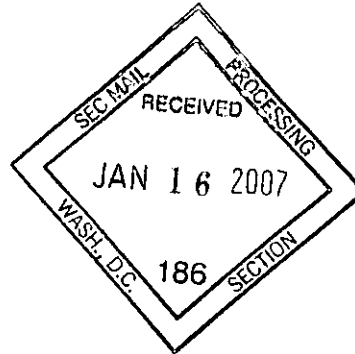
11 January 2007



07020378

PaperlinX Limited  
ACN 005 146 350  
307 Ferntree Gully Road, Mt Waverley  
Victoria 3149 Australia  
Tel: +61 3 8540 2264  
Fax: +61 3 8540 2291

Securities and Exchange Commission,  
Division of Corporate Finance,  
450 Fifth Street, N.W.,  
Washington, D.C. 20549  
USA



**SUPPL**

Ladies and Gentlemen,

**PaperlinX Limited – Rule 12g3-2(b) Exemption**  
**File No. 82-5061**

The enclosed information is being furnished by PaperlinX Limited ("PaperlinX") under paragraph (b)(1)(i) Rule 12g3-2 (the "Rule") under the Securities Exchange Act of 1934 (the "Exchange Act"). PaperlinX' file number is indicated in the upper right hand corner of each unbound page of each document furnished herewith.

In accordance with paragraphs (b)(4) and (b)(5) of the Rule, the enclosed documents are being furnished with the understanding that such documents will not be deemed "filed" with the Securities and Exchange Commission or otherwise subject to the liabilities of Section 18 of the Exchange Act, and that neither this letter nor the furnishing of such documents shall constitute an admission for any purpose that PaperlinX is subject to the Exchange Act.

Very truly yours,

James Orr  
Company Secretary

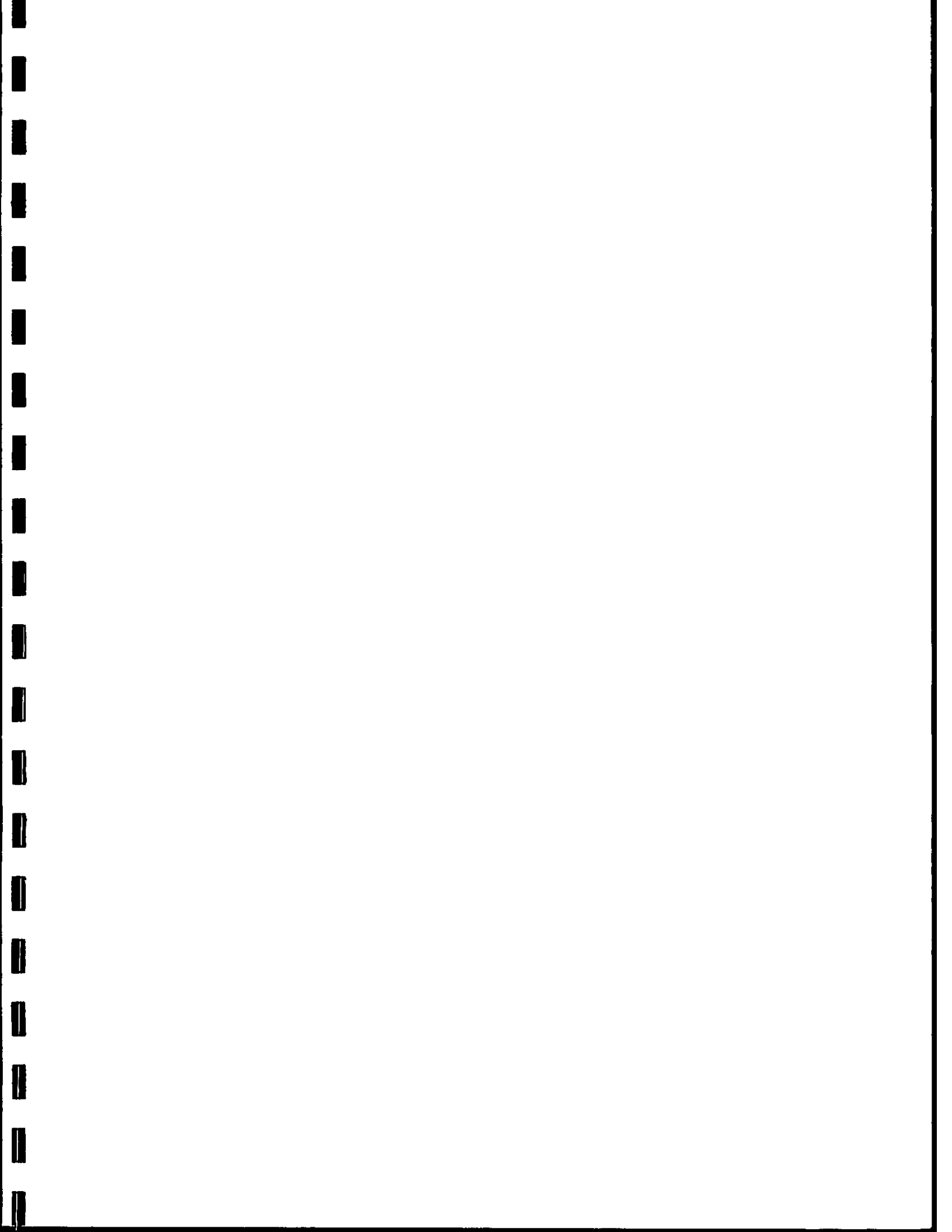
**PROCESSED**  
**JAN 18 2007**

**THOMSON  
FINANCIAL**

c.c. Burr Henly, Sullivan & Cromwell  
32 / 101 Collins Street, Melbourne 3000

List of documents forwarded under cover of this letter to Securities and Exchange Commission dated 11 January, 2007.

Ref.	Title	Date of release to ASX
1.	News Release – Woodyard Contract Signed	2 October 2006
2.	News Release – Agreement to divest Western Canada Paper Merchanting Group	11 October 2006
3.	Form 604 – Notice of change of interest of substantial holder from AXA	13 October 2006
4.	AGM Chairman and Managing Director speeches	20 October 2006
5.	AGM Presentation Slides	20 October 2006
6.	Results of AGM	20 October 2006
7.	Appendix 3B – New issue announcement, application for quotation of additional securities and agreement	20 October 2006
8.	Appendix 3Y – Change in Director's Interest Notice (Andrew Guy)	20 October 2006
9.	Appendix 3Y – Change in Director's Interest Notice (Lindsay Yelland)	20 October 2006
10.	Appendix 3Y – Change in Director's Interest Notice (Dr N L Scheinkestel)	20 October 2006
11.	Appendix 3B – New issue announcement, application for quotation of additional securities and agreement	31 October 2006
12.	Appendix 3Y – Change in Director's Interest Notice (Lindsay Yelland)	31 October 2006
13.	Form 604 – Notice of change in interests of substantial holder from Capital Group	6 November 2006
14.	Appendix 3B – New issue announcement, application for quotation of additional securities and agreement	14 November 2006
15.	Presentation – Visit to Operations	23 November 2006
16.	Visit to Operations Presentation – Europe	28 November 2006
17.	Visit to Operations Presentation – UK	29 November 2006
18.	Form 604 – Notice of change in interests of substantial holder from AXA	30 November 2006
19.	Visit to Operations Presentation – North America	1 December 2006



**NEWS RELEASE**

2 October 2006

**Woodyard Contract Signed**

PaperlinX has signed a contract with Price Inc. of the US for the establishment of a new woodyard for its Maryvale Mill in Victoria, Australia. This facility will be owned and managed by Price and will be built over the next 14 months. It is scheduled to come on line with the start up of the upgrade of the Maryvale Mill pulp capacity and bleach plant.

Commenting on today's announcement, Tom Park, Managing Director of PaperlinX, said "We are pleased to have moved on to the next stage of this strategic initiative, which we highlighted in our August results. We are pleased to be working with Price, who have a great deal of experience with a significant number of woodyards under management. This state-of-the-art facility will further enhance the quality and consistency of pulp to be produced at Maryvale's upgraded pulp facilities and consequently on its five paper machines."

Costs associated with this project and the closing of existing facilities are included in the \$12 million one-off costs for 2007 already announced. The benefits will be immediately realized with the start-up of the pulp mill project.

For further information, please contact:

Mr David Shirer  
Executive General Manager  
Corporate Affairs  
PaperlinX Limited  
Ph: +61 (3) 8540 2302  
Ph: +61 (407) 512 521

**Editors Note:**

PaperlinX is the world's leading fine paper merchant, with businesses in Australia, New Zealand, Asia, North America, South Africa and Europe. Through its Australian Paper division, it is also the only Australasian producer of high quality communication papers including Reflex, Australia's leading copy paper, and a major Australian producer of high performance packaging and industrial papers.

**PaperlinX Limited**  
ABN 70 005 146 350  
307 Ferntree Gully Road  
Mt Waverley Victoria 3149  
Australia  
Tel: +61 3 8540 2211  
Fax: +61 3 8540 2255



11 October, 2006

**PAPERLINX ENTERS INTO AGREEMENT TO DIVEST WESTERN CANADIAN PAPER MERCHANTING BUSINESS**

As previously announced, as a condition of acquiring the Spicers Canada business (previously Cascades Resources), PaperlinX agreed with the Canadian Competition Bureau to divest certain elements of that business in Alberta and British Columbia. PaperlinX has achieved an important milestone in that process, entering into an agreement with Gould Paper under which it will divest those elements of the business for a price that will result in a small positive contribution above the net asset value. Completion of the transaction is subject to final approval from the Canadian Competition Bureau and other usual conditions.

Details of the business sold are shown in Note 11 in the PaperlinX Full Financial Report for 2006. Completion of the transaction will have the impact of lowering the net acquisition cost and overall size of the business, but will not materially impact the fundamental benefits of PaperlinX's acquisition of the Spicers Canada business from Cascades completed on 1 March 2006. As previously advised, Spicers Canada has met all earnings targets and has already achieved the targeted year 3 return on investment of at least 15%.

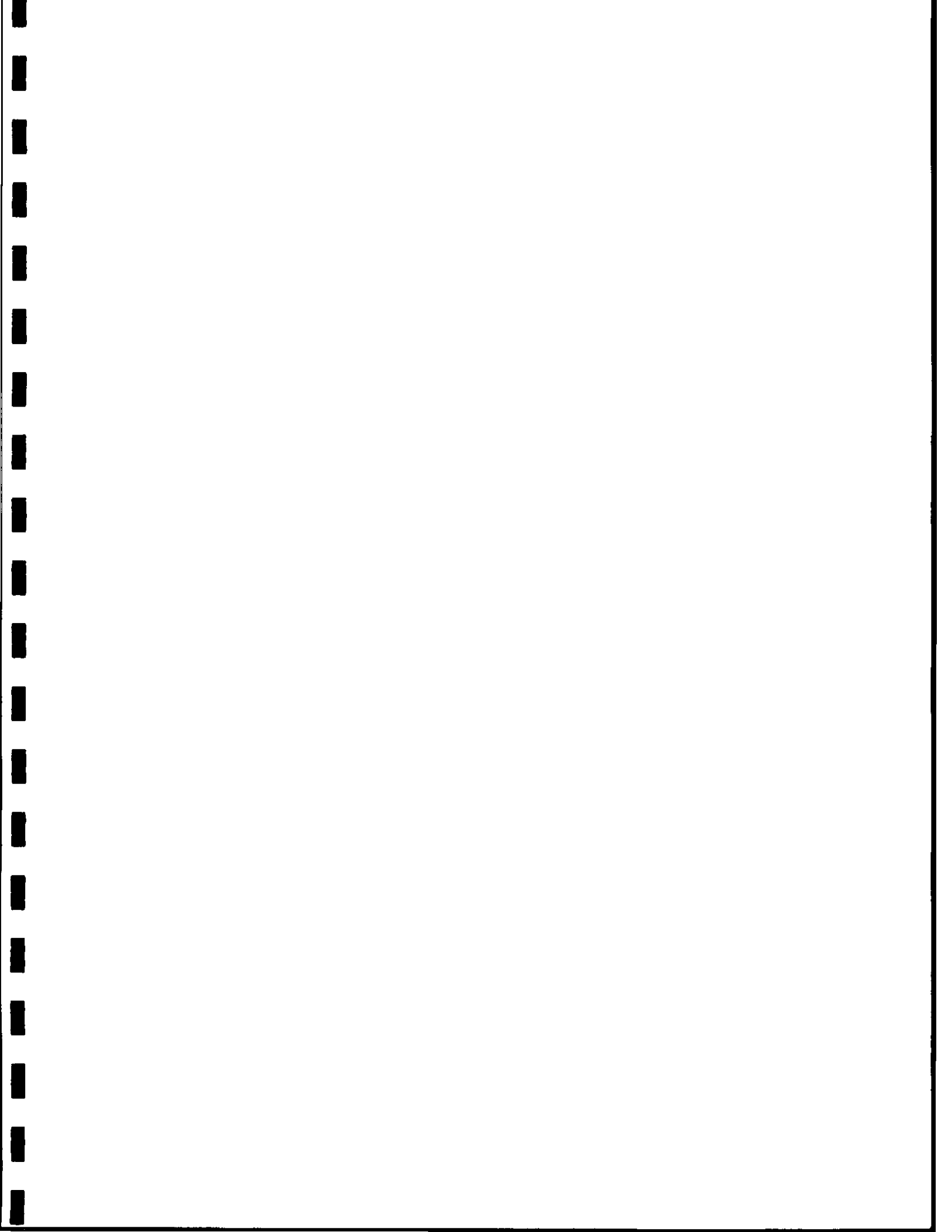
Commenting on the completion, Managing Director of PaperlinX, Tom Park said, "We are very pleased to have executed this agreement which will allow us to complete the sale of the Western Canadian business we were required to divest as previously agreed with the Canadian Competition Bureau. Our North American management team is to be congratulated on such a positive outcome for all concerned and for the positive momentum already reflected in the results of our Canadian businesses."

For further information, please contact:

Mr David Lamont  
 Chief Financial Officer  
 PaperlinX Limited  
 Ph: +61 (3) 8540 2305

**Editors Note:**

PaperlinX is the world's leading fine paper merchant, with businesses in Australia, New Zealand, Asia, North America and Europe. Through its Australian Paper division, it is also the only Australasian producer of high quality communication papers including Reflex, Australia's leading copy paper, and a major Australian producer of high performance packaging and industrial papers.



## Form 604

Corporations Act 2001  
Section 671B

## Notice of change of interests of substantial holder

1 Company Name/Scheme AsperfinX Limited  
 2 ANARSN 15 146 350

## 3 Details of substantial holder (1)

1 Name ASA ("AXA"), AXA Asia Pacific Holdings Limited ("AXA APH") and various bodies corporate controlled by AXA and AXA APH listed in Schedule 1 (together, "the AXA Group") and certain other entities associated with AXA and AXA APH listed in Schedule 1.  
 2 ANARSN (if applicable) 18 123 011

1 Was there a change in the interests of the substantial holder on 13/10/2006  
 2 The previous notice was given to the company on 13/10/2006  
 3 The previous notice was dated 13/10/2006

## 4 Previous and present voting power

1 The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	23,032,396.00	5.16%	26,753,343	6.44%

## 5 Changes in relevant interests

1 Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected (ordinary shares unless stated otherwise)	Person's votes affected
See column 2 of Schedule 2.	Each person whose relevant interest has changed is listed in Schedule 2.	The change in the relevant interest occurred as a result of various transactions effected on the Australian Stock Exchange (see Schedule 2 for details, in particular column 3).	See column 4 of Schedule 2.	See column 5 of Schedule 2.	[See previous column.]



**Present relevant interests**

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
The holders of a relevant interest are listed in Part A of Schedule 1.	The registered holders of the securities are various third parties acting as custodians on behalf of AXA Group entities (see also column 1 of Schedule 2).	(Not applicable.)	Each person listed in Part A(i) of Schedule 1 has a relevant interest because it has power to exercise or control the exercise of a right to vote or to dispose of the relevant securities (s 608(1)(b) and (c) Corporations Act 2001 ("CA")).  Each person listed in Part A(ii) of Schedule 1 has a relevant interest because it has voting power above 20% over one or more persons listed in Part A(i) of Schedule 1 (s 608(3) CA).	See column 5 of Schedule 2.	(See previous column.)

**Changes in association**

The persons who have become associates of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
(Not applicable.)	(Not applicable.)

**Addresses**

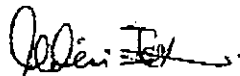
The addresses of persons named in this form are as follows:

Name	Address
See Parts A and B of Schedule 1 (column 1).	See Parts A and B of Schedule 1 (column 2).

**Signature**

Full name: Milana Ickeringill

Capacity: Company Secretary, AXA Asia Pacific Holdings Limited



Signed here:

Date: 19 October 2006

## DIRECTIONS

- ) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names of all should be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
  - ) See the definition of "associate" in section 9 of the Corporations Act 2001.
  - ) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
  - ) The voting shares of a company constitute one class unless divided into separate classes.
  - ) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
  - ) Include details of:
    - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 871B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
    - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- ) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
  - ) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
  - ) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

## SCHEDULE - HOLDERS OF A RELEVANT INTEREST AND ASSOCIATES

*Note: All information provided in this schedule is based on the information available to AXA APH at the time of filing this notice.*

### PART A - PERSONS WITH A RELEVANT INTEREST

Name	Address
<b>Part A(i) - Responsible entities / trustees / managers of funds / delegates of managers [s 608(1)(b) and (c)]</b>	
Various AXA Group entities which are responsible entities, trustees, managers of funds and delegates of managers, including those set out below	Not applicable
National Mutual Funds Management Limited	447 Collins Street, Melbourne, Victoria 3000
AXA Rosenberg Investment Managers LLC	4 Orinda Way Bldg F, San Francisco, CA 94102
AXA Investment Managers UK Ltd	7, Newgate Street, London EC1A 7NX, England
IPAC Securities Limited	447 Collins Street, Melbourne, Victoria 3000
IPAC Asset Management Limited	447 Collins Street, Melbourne, Victoria 3000
AllianceBernstein L.P.	1345 Avenue of the Americas, NYC 10105
AllianceBernstein Australia Limited	Level 29, 1 Farrer Place, Sydney, NSW 2000
Various custodians on behalf of various international entities ultimately controlled by AXA (details not available at time of filing)	Various
<b>Part A(ii) - Persons with voting power greater than 20% in persons listed in Parts A(i) and (ii)</b>	
Various AXA Group entities, including, as ultimate holding companies, those set out below	Not applicable
AXA SA	25 Avenue Matignon 75008 Paris France
AXA Asia Pacific Holdings Limited	447 Collins Street Melbourne, Victoria 3000
<b>Part A(iii) - Other relevant interests</b>	
[Not applicable]	

### PART B - ASSOCIATES OF PERSONS WITH A RELEVANT INTEREST

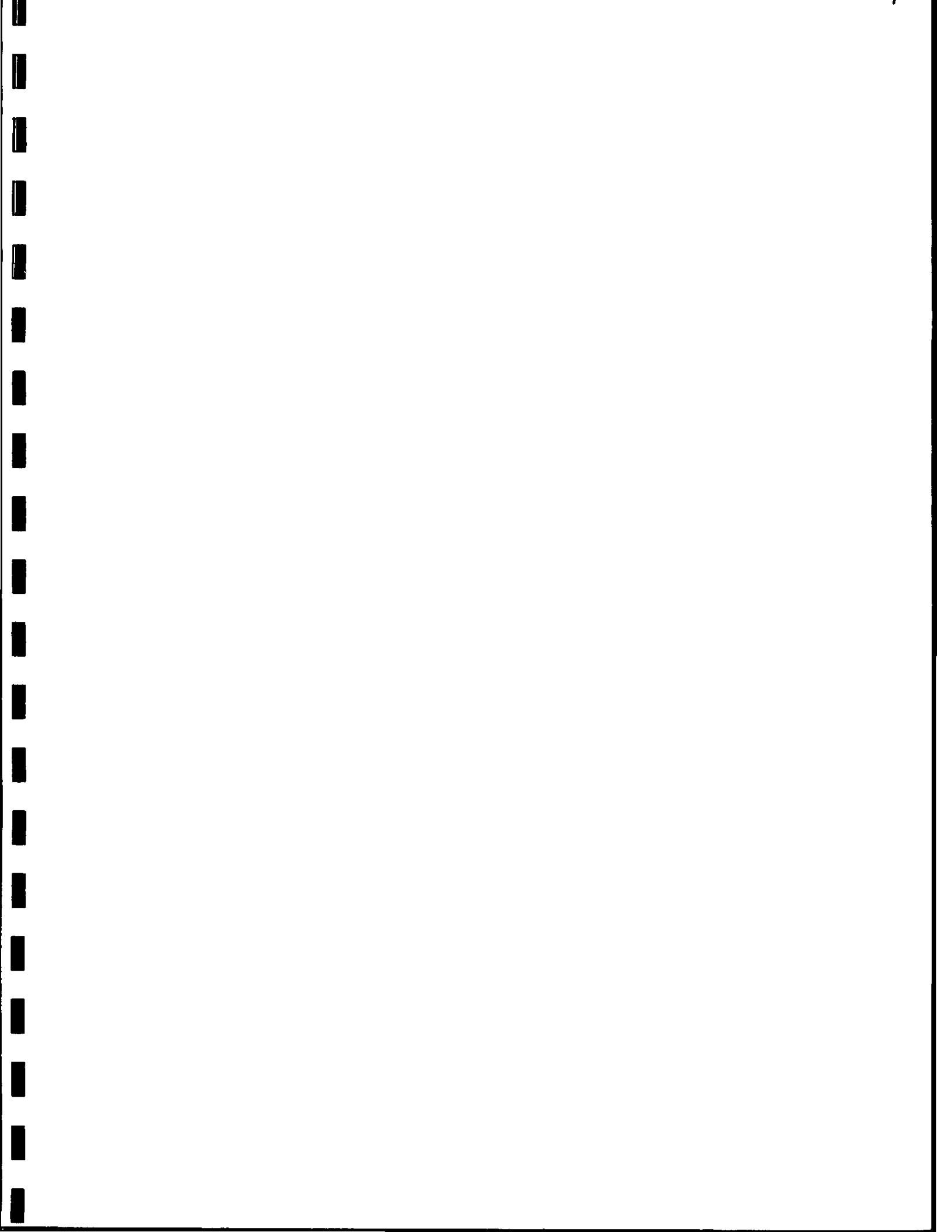
Name	Address
<b>Part (B)(i) - AXA Group Companies (associates by virtue of s 12(2)(a) of CA)</b>	
AXA SA	25 Avenue Matignon 75008 Paris France
Folio Nominees Pty Ltd	447 Collins Street, Melbourne, Victoria 3000

Name	Address
National Mutual Funds Management (Global) Limited	447 Collins Street, Melbourne, Victoria 3000
AXA Asia Pacific Holdings Limited	447 Collins Street, Melbourne, Victoria 3000
The National Mutual Life Association of Australasia Ltd	447 Collins Street, Melbourne, Victoria 3000
Ipac Asset Management Ltd	447 Collins Street, Melbourne, Victoria 3000
Ipac Financial Care Ltd	447 Collins Street, Melbourne, Victoria 3000
Ipac Portfolio Management Ltd	447 Collins Street, Melbourne, Victoria 3000
Ipac Financial Services Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Ipac Group Services Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
David Bird Financial Services Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Lidomcin Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Walker Lawrence & Associates Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Strategic Planning Partners Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Albert & Will Financial Planning Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Financial Resources Group Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Clientcare Australia (Investments) Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
TM Securities Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Monere	447 Collins Street, Melbourne, Victoria 3000
Armitage Investment Services Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Armitage Group Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Sterling Grace Portfolio Management Group Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
SG Holdings Ltd	447 Collins Street, Melbourne, Victoria 3000
Alliance Capital Management Corporation of Delaware	1345 Avenue of the Americas, NYC 10105
AXA Equitable Life Insurance Company	1290 Avenue of the Americas, NYC 10105
AXA Financial, Inc.	1290 Avenue of the Americas, NYC 10105
NMMT Limited	447 Collins Street, Melbourne, Victoria 3000
National Mutual Funds Management NZ Limited	Level 6, 80 The Terrace, Wellington
A.C.M.C. Inc	1345 Avenue of the Americas, NYC 10105
Neuville Company Inc	C/-447 Collins Street, Melbourne, Victoria 3000

Name		Address
Spicers Portfolio Management Ltd		Level 6, 80 The Terrace, Wellington
Assure New Zealand Ltd		Level 6, 80 The Terrace, Wellington
Arcus Investment Management Ltd		Level 6, 80 The Terrace, Wellington
Client Portfolio Administration Ltd		Level 6, 80 The Terrace, Wellington
Sterling Portfolio Management Ltd		Level 6, 80 The Terrace, Wellington
Client Reserve Ltd		Level 6, 80 The Terrace, Wellington
Mortgage Backed Bonds Limited		Level 6, 80 The Terrace, Wellington
In addition to the entities referred to above, each other entity in AXA's global corporate group which is ultimately controlled by AXA is an associate of a person whose relevant interest changed.		
<i>Part B(ii) - Other associate</i>		
Not applicable		

## SCHEDULE 2 - CHANGES IN RELEVANT INTERESTS

Holder of Relevant Interest	Date of Transaction	Transaction Type	Consideration	# Shares
<b>Westpac Custodian Nominees as custodian for National Mutual Funds Management Limited</b>				
	open			4,614,900.00
	06-Oct-06	BUY	- 1,952,335.34	524,600.00
	10-Oct-06	BUY	- 1,669,585.02	438,400.00
	11-Oct-06	BUY	- 446,715.00	118,600.00
	12-Oct-06	BUY	- 1,693,572.57	445,872.00
	13-Oct-06	BUY	- 207,665.50	59,333.00
				<u>6,201,705.00</u>
<b>Westpac Custodian Nominees as custodian for Ipac Securities Limited</b>				
	open			2,714,300.00
	06-Oct-06	BUY	- 296,097.72	80,100.00
	10-Oct-06	BUY	- 254,779.28	66,900.00
	11-Oct-06	BUY	- 65,914.94	17,500.00
	12-Oct-06	BUY	- 259,046.66	68,200.00
	13-Oct-06	BUY	- 122,139.50	34,897.00
				<u>2,981,897.00</u>
<b>Merrill Lynch Custodian Nominees as custodian for Ipac Securities Limited</b>				
	open			619,000.00
				<u>619,000.00</u>
<b>Various Nominees (International AXA Entities) Details not available at time of filing</b>				
	open			15,084,196.00
	October (6-13)	BUY		3,868,545.00
				<u>18,952,741.00</u>
<b>TOTAL</b>				<u><u>28,755,343.00</u></u>



**Address given by the  
Chairman of PaperlinX Limited,  
David E. Meiklejohn, at the  
Annual General Meeting in  
Melbourne, Australia on  
20 October 2006**

**Introduction**

The 2006 year for PaperlinX saw a continuation of the negative downturn in the pulp and paper industry cycle globally. As a consequence, our businesses in Australia continued to experience depressed selling prices and high levels of supply offerings from overseas manufacturers. These factors contributed to a further reduction in the profit of our domestic paper manufacturing business, Australian Paper, while the earnings from our total global merchanting operations also showed a slight fall on prior year.

During the past year we have provided information to our shareholders and to our investors on the strategic initiatives we have underway and we have provided benchmarks against which our progress can be measured. Our Annual Report provides disclosure of and commentary on these actions and opportunities and demonstrates that we are investing current capital and foregoing short term earnings to provide improved long term profitability and returns for our shareholders. I am encouraged by the progress that we have made and the positive momentum we have across the Group, both in Australia and overseas.

The overall results for PaperlinX for 2006 reflect the adverse trading conditions in most of our major markets that have now continued for some three years. However, as we have previously indicated, the expanded platform of businesses we have developed continues to provide some balance in our earnings profile in that the substantial earnings from our paper merchanting operations partially ameliorates the depressed profitability of our domestic manufacturing operations.



PaperlinX operates in a tough and competitive global environment where many of the macro economic factors which affect our businesses are largely outside the control of individual paper manufacturing and distribution companies. Accordingly, your Board and management have focussed on issues that are within our ability to influence and control and which will reshape our businesses to provide longer term sustainable returns. During 2006 we have either implemented or commenced to implement a number of important programs and projects which we have listed in the annual report and I will comment on later. However, I again emphasise that the implementation of these programs has had and will have a negative impact on the 2006 and 2007 earnings but will improve our underlying cost base for the future.

Today I plan to comment on:

- The results for year ended 30 June, 2006;
- Some aspects of our future strategy;
- Corporate Governance;
- Workplace safety;
- The results for the September quarter;
- The outlook for the immediate period ahead.

#### **The 2006 Year In Review**

As already mentioned, our results for the year were impacted negatively by movements in key external factors including global over-supply of paper caused by excess manufacturing capacity, depressed selling prices, a continued weak US Dollar and rising input costs for items such as oil, chemicals and wood pulp.

The overall after tax result for PaperlinX for 2006 was \$65.4 million, compared with \$89.6 million in 2005, excluding the Australian Tax Consolidation benefit in 2005. Earnings before interest and tax was \$152 million compared with \$180 million last year.

The paper merchanting businesses provided a very creditable result of \$190 million, compared with \$194 million in the prior year, while profit from our paper manufacturing business, Australian Paper, fell from \$12 million last year to a loss of \$4 million after net one-off costs of \$13 million. Excluding these one-off costs which relate largely to restructuring and profit improvement programs, underlying operating earnings for Australian Paper was a positive \$9 million.

Whilst a number of our regional businesses have been impacted by the negative external factors, the overall results of recent years demonstrate that our paper merchanting business has continued to deliver less volatile results. Accordingly our early strategic decisions to expand our paper merchanting operations globally to underpin the Group's profit and cash flow have been successful as the majority of today's earnings is being contributed by merchanting. Further, the 11.5% return on funds employed from paper merchanting underpinned the overall group return of 6.2% which is in the top quartile compared with our international sector peers.

Our strategic responses to the current economic environment have been focussed on improving longer term returns from our merchanting and manufacturing businesses and this has required us to make some significant decisions during difficult economic trading conditions. We have initiated projects to improve and strengthen our core businesses, we have exited businesses where we do not have competitive advantage and we have acquired businesses which will improve our market position and profitability in the longer term.

The important initiatives which are outlined in the annual report include:

- The substantial project to upgrade the pulp mill and bleach plant at Maryvale;
- The closure of a paper machine at the Shoalhaven mill;
- The acquisition of the Cascades merchanting business in Canada;
- The restructuring of our merchanting operations in the Netherlands;
- The significant rationalisation of our logistics operations in the UK.

There are other projects and initiatives planned for 2007 and the costs of these will be offset to some extent by the cost and profit benefits delivered from the actions taken in 2006.

In respect of continuing operations, management continues to focus on reducing costs and managing working capital. Sound results were achieved in these areas in 2006. Balance sheet gearing remains satisfactory, although interest cover remains below our preferred level.

As I indicated last year, our dividend policy is now to target a pay out ratio of up to 70% of operating earnings after tax and the total dividend for the year of 10 cents per share reflects this ratio. The Board activated the Dividend Reinvestment Plan to assist shareholders to acquire additional shares in PaperlinX without cost and the initial take up was some 27% of shares and 15% of shareholders.

### **Future Strategy**

PaperlinX intends to continue the strategy previously outlined to shareholders which revolves around strengthening and improving our Australian manufacturing base and building on and expanding our successful global paper merchanting platform. The Board continues to be of the view that this is the correct course of action even though we continue to bump along what we hope is the lower level of the paper cycle.

We recognise that the reduced levels of profitability and cash flow over the past year or two have restricted our ability to progress our strategy at the pace we would have liked. However, while the Board has approved that management proceed with key initiatives it is maintaining close surveillance of the underlying financial fundamentals and financial health of the Group overall. The Board and management will continue to monitor this underlying financial position to ensure that we keep all commitments within our financial capability.

## **Corporate Governance**

As I have indicated previously, PaperlinX is committed to the principles of best practice in Corporate Governance and we continue working towards ensuring that our corporate governance practices comply with all relevant best practice guidelines.

Last year I indicated that we did not comply with the governance recommendations on Non Executive Directors' retiring allowances and indicated that we would take action on this matter this year. Accordingly, we have proposed a restructuring of the Directors' remuneration arrangements which involves terminating the existing Non Executive Directors' retirement scheme and adjusting cash remuneration to compensate for this change. Shareholders have been asked to vote on a specific Resolution on this matter and I will elaborate further on this issue later in the meeting.

## **Workplace Safety**

As indicated in the Annual Report, the Board and management are committed to providing a safe workplace for all of the people who work for PaperlinX. Through the Safety and Environment Committee, the Board monitors progress against safety programs and targets throughout the world and we deal with safety and workplace issues as a priority in our board meetings.

There are a number of key measures used to assess workplace safety across the Group and we review these carefully region by region. In addition, we have a commitment to the wellbeing of our employees and programs are being implemented to increase the awareness of the personal benefits of a balanced lifestyle.

To ensure that the senior management, including the Chief Executive, give proper emphasis to this issue, we have included specific safety targets in the short term incentive arrangements for the senior management group so that the short term incentive payments reflect the success or otherwise of this important matter.

## **The September Quarter Results And Outlook**

In August 2006 when we announced the results for the past year we indicated that there were few positive signs that the economic fundamentals affecting our business were improving. I confirm that this situation has not changed and the negative headwinds of excess global capacity which is depressing paper prices, higher input costs and the ongoing effects of a weak US Dollar have continued to impact our businesses in the current financial year. There do appear to be some positive developments that could lead to improved capacity utilisation rates globally for both coated and uncoated grades which in turn could have positive impacts on pricing, but we believe it is premature to predict any sustained improvement in these factors.

However, in this environment PaperlinX is benefiting from the strategic initiatives I have previously commented on and as a consequence the earnings for the September quarter for PaperlinX overall and for each of our Merchanting and Manufacturing businesses are ahead of the corresponding period last year.

In the longer term there needs to be significant capacity rationalisation across Europe to underpin long term paper pricing and we do acknowledge the recent progress made in this area. As regards our manufacturing business in Australia, as we have indicated previously there needs to be an overall improvement in the external economic environment for Australian Paper to fully deliver targeted earnings and returns through the paper cycle.

Within the above context the Board and Management will continue to focus on the staged implementation of strategic initiatives to improve the underlying earnings of PaperlinX, recognising that there will be some short term costs associated with some projects.

## **Conclusion**

As is evident from my comments, we have yet to see any significant easing in the external pressures that have impacted us over recent times. However, we do see positive momentum occurring across the Group as our people respond to the

challenges facing them. Our staff and employees are well focussed and have clear targets and have made good progress on the areas within their control. I am confident that this will continue.

On behalf of the Board I recognise the substantial effort of our management and employees over what has been another difficult year. I also acknowledge the contribution made over the past six years by Darryl Abotomey, our foundation Chief Financial Officer, who retired as a director during the year and I wish him and his family all the best for the future.

I thank my fellow Directors for their support and commitment and we look forward to working for and with our shareholders in the year ahead.

**David E. Meiklejohn**  
Chairman

20 October 2006

**Address given by the  
Managing Director of PaperlinX Limited,  
Thomas P. Park, at the  
Annual General Meeting in  
Melbourne, Australia on  
20 October 2006**

### **Introduction**

As you have heard, the difficult external environment that has impacted our earnings so much over the past few years continued through 2006 and into this financial year. Internally, however, we are beginning to see the benefits from our range of strategic initiatives to improve our business. These initiatives are doubly important in tough times; they help mitigate negative external impacts and they release funds to support our future growth. But these initiatives are not short term expediciencies. They are clearly aimed at building long term value for PaperlinX and its shareholders. Our people have had a clear focus on these actions, guided by our core operating principles, and have made good progress. Today I will give you an update on these projects and why they are so important to our Company.

Before I talk about the many things we are doing, however, first I will comment on the situation the paper industry currently finds itself in. The paper industry can be viewed in three layers; paper manufacturers, paper distributors and paper converters. Each has its own structural issues and opportunities, with each sharing one common driver, demand for paper. Of all the drivers for the paper industry, demand is probably the least volatile. Demand does vary year by year and region by region, but tends to follow long term trend lines driven by factors such as gross domestic product, retail spending and employment.

The key driver of volatility in recent years has been too much manufacturing capacity. This has led to too much supply into global markets, with paper

manufacturers often holding prices down to sell their surplus production. With paper internationally priced off a US dollar benchmark, currency relativities have also resulted in negative regional variances as in Australia, but the net impact has been lower prices and reduced earnings for most in our industry. Higher input costs for pulp, fuel and chemicals have further reduced returns for paper manufacturers, and in fact all of these negative factors have severely reduced the profits of our Australian manufacturing business over the past three years.

But we are now seeing manufacturers in key markets recognising that the solution is in their hands. A significant amount of North American high cost capacity has been shut and European manufacturers are starting to announce reviews and closures as well. If capacity utilisation improves, it is reasonable to expect pricing to follow. This is the positive environment we have seen recently in North America, but are only just seeing emerge in Europe. This is highlighted by recent announcements by both Stora Enzo and M-Real.

Paper distribution, or merchanting, is our other major business stream, and is the area where we have grown significantly in recent years. Despite the difficult market environment, we are delivering an 11.5% return on funds employed in merchanting, exceeding our cost of capital. Paper merchanting is about efficiency and that is the area where we are making real improvements across our business. We are the largest fine paper merchant in the world with sales of over 4 million tonnes, and we sell to a wide range of converters in many countries, including printers, publishers, office supply companies, corporates and others. Our focus is to build on our strong local customer relationships while leveraging global best practice in areas such as logistics, debtor management, systems, marketing and support for global customers.

So overall our results show that we have not been immune to the external factors impacting our industry and we are well down on our targeted returns as a consequence. But in this environment our returns remain in the top quartile among global paper companies due to our good mix of businesses, competitive advantages and productivity focus.



## Group Results

Now to our results.

The PaperlinX net profit after tax for the 2006 financial year was \$65.4 million, down 27% on last year's \$89.5 million (excluding the benefit of Australian Tax Consolidation). This result continues to reflect the structural imbalances in global paper supply and demand, along with sharply higher input costs. It also includes significant one-off restructuring and closure costs of \$25 million that we have mostly funded internally through the \$21 million profit on sale of surplus assets. These one-off costs are investments in our future, with significant and growing benefits to earnings planned in future years as I will discuss later.

After a weaker first half, the underlying result in the second half of the year stabilised, showing a modest lift over the second half of the prior year for the company as a whole and for Australian Paper specifically.

Group operating earnings before interest and tax were \$152 million, down 15% on last year. We saw weaker results in our Australian, New Zealand and UK merchanting businesses and in Australian Paper, and a strong performance in North America and Asia reflecting our leverage to any improvements in the external environment. Continued focus on expense management and working capital helped the company to generate operating cash flow of \$260 million. Working capital was \$88 million lower than last year (excluding the addition of our new Canadian paper merchanting business, Spicers Canada). Reducing working capital from existing business activities allows us to improve returns and to internally fund growth opportunities.

While our current profits are not where we want them to be, and not at a level that allows us to provide the level of returns we have targeted for our shareholders, our progress on our internally generated opportunities is encouraging.

## Business Performances

I will now look at our operating businesses individually.

Overall volumes for our Australian and New Zealand merchanting businesses were 3% lower than last year, primarily due to lower volumes in New Zealand. Market conditions remained highly competitive, with average prices down 2% in Australia/New Zealand. Asian prices on the other hand were up 3% which, combined with market share growth, led to improved earnings. Paper Trading was constrained in volume due to lower exports from Australian Paper, but still grew operating earnings.

Results for our North American merchanting business reflected the stronger market conditions and benefits of several internal initiatives. The acquisition of Cascades Merchanting (now called Spicers Canada) was completed in March, and delivered strong earnings and working capital reductions. The Spicers Canada returns are currently running at over 15%, already exceeding the target we set to achieve by the end of year three. Kelly Paper in the US also performed particularly well with their high service model. Coast Paper in Canada saw a pleasing improvement in performance resulting from clear management focus despite the Canadian market facing many of the same macro issues seen in other non-US markets. Underlying volumes in North America were up 5%, including strong growth in proprietary brands and sheeter volumes, which were up 15%. Over the past two years, our profits in North America are up 120%, which highlights the upside leverage our business model has to improved market conditions.

European market conditions were again mixed. Continental European countries were generally more positive than in the prior year, while the UK market weakened as the year progressed, to see overall UK market volumes down 4% for the year. Given the high weighting of the UK in our European business portfolio, we saw overall European volumes slightly lower, with both margins and profits impacted. We did reduce expenses by 2%, and successfully reduced working capital by 7% as well. Europe will benefit in coming years from a number of key strategic initiatives that will build on the acquisition synergies already successfully achieved.

The external pressures on our paper manufacturing business, Australian Paper, have continued and resulted in a \$4.1 million loss on the business overall or only a modest \$9.5 million profit excluding net one-off costs. The closure of the number 1 paper machine at Shoalhaven mill in March was a reflection of our need to make step changes in our business, and will lead to improved returns. We are also investing in areas of competitive advantage including the Maryvale Pulp Mill Upgrade, the consolidation of PaperlinX Office, the growth of our copy paper brands like Reflex™, and in other quality upgrades. Underlying operating earnings have stabilised over the past three halves, and while external costs such as oil, pulp and chemicals remain a risk, we believe we are making the necessary decisions to bring Australian Paper's returns back to an acceptable level with some help from the external market.

### **Core Operating Principles**

Our core operating principles were prepared to provide guidance to our people in prioritisation and decision making, and are now clearly reflected in the strategic initiatives identified to strengthen our business in this difficult environment. Our core operating principles are:

- Strengthen then build off existing business platforms
- Productivity to provide funds to improve sustainability and growth
- Simplification
- Actively prioritise activities based on value creation for our customers, suppliers and for PaperlinX
- Fully leverage our global opportunities
- Invest in our people and their skills
- Compliance is mandatory
- Results oriented teamwork/success as a team.

You will see the influence of these guiding principles in the list of strategic initiatives that we have underway at present and in our ongoing focus on reducing expenses and working capital.

## **Key Strategic Initiatives**

In this difficult external environment, we have followed our operating principles to focus on the things within our control that will build a better and stronger company for the long term. Certainly we have had to address costs and manage our spending to match our current level of earnings, but we have also continued to invest in our people, our service to customers, and in expanding in areas where we have competitive advantages. These investments have been largely funded from reductions in working capital and the sale of surplus assets.

The list of initiatives highlighted at the half year is expected to add at least \$35 million to underlying operating earnings in 2007 and at least \$100 million in 2009. Additionally, two new initiatives were announced in August. These initiatives, while having a one-off cost of around \$12 million in the first half of fiscal 2007, will contribute positively to operating earnings beyond that.

Not all of our decisions have been either easy or pleasant, but all have been aligned with our strategic direction and been important steps towards the future. Today I would like to review with you the key projects underway across the group and their current status:

### **Acquisition of Cascades Merchanting in Canada**

We acquired the business, now called Spicers Canada, in March of this year, to build our business scale in Canada. Spicers also brought good people and an innovative business model to the group. The acquisition completed on time for around A\$100 million and has already exceeded its year three target return of 15% through strong in-market performances and an excellent effort in reducing the working capital needed to support the business. This acquisition highlights the benefit of building on our existing business platforms in established markets, buying good businesses with good people, and applying global best practice in areas such as working capital, debtor and safety management.

We have recently reached agreement on the sale of the Spicers Western Canadian paper merchanting business that was required by the Canadian Competition Bureau as a condition of our acquisition.

#### **Exit from the Portuguese market**

During the year we also exited the Portuguese market where we had a small paper merchanting business that we saw as being unable to achieve adequate returns. As important as growing in markets with opportunity is understanding where we do not have advantages and reallocating the funds tied up into higher returning opportunities.

#### **The closure of the number 1 paper machine at our Shoalhaven Mill**

It is always a difficult decision to close a paper machine, with the resultant job losses and impact on the local community. However to improve overall operating efficiency we made the decision to replace unprofitable products made for the export market at Maryvale with products that were previously manufactured on the number one paper machine at Shoalhaven. The once-off cost was \$15 million last year. Well done to our people who successful completed this difficult task smoothly and with dignity.

#### **The upgrade of Maryvale Mill's number 1 paper machine**

This paper machine is now successfully producing a world class quality semi-extensible product which enhances our competitive position in both the domestic market and in the increasingly attractive export markets. We are seeing improving uptake of this product after a slower than expected start and we are seeing incremental benefits in this fiscal year.

#### **Maryvale pulp mill upgrade and new bleach plant**

This major project to improve paper quality, reduce pulp production costs, replace imported pulp and improve our environmental impact by upgrading the current pulp capacity and bleach plant at the Maryvale Mill is difficult, but on track. The investment of \$203 million will allow us to leverage our local source of fibre while self manufacturing pulp at an average of 40% less than the cost of importing pulp,

while also reducing the cost of currently manufactured pulp by an average of 15%. I will comment on the substantial environmental benefits of this project later on. We expect to see the full benefit in the 2009 fiscal year.

### **Netherlands Integration**

We have three successful merchants in the Netherlands which provides us with opportunities to improve our performance by integrating activities where appropriate, while retaining our distinct customer interfaces. We are building on this platform so that our superior performance and competitive position is retained into the future. Announced integrations are all on track as planned under a new leadership team.

### **The Delivery Co (UK)**

In the UK we are undertaking the integration of the individual logistics operations of our four successful UK paper merchants to optimise customer service, maximise efficiency and minimise the environmental impact of distribution activities. I have recently visited the first integrated site in Ipswich which became operational in August. The smooth change over to The Delivery Company model is a credit to the many people involved in this complex activity.

Customer service benefits will flow from the capability of the combined logistics organisation as it is rolled out across the UK.

### **European IT Platform**

A key facilitator for future opportunities is the creation of a common IT platform across Europe to support improved inventory and warehouse control in order to improve working capital management, to deliver a range of synergy benefits and to improve service to customers. Our first implementations have been successfully launched in Ireland and will now be progressively rolled out across the rest of Europe.

There are also other important initiatives underway across the Group focussing on areas where we can work with our strategic suppliers to build competitiveness and grow volumes together, or where we can work with global customers to meet their needs for consistent product benefits that we can deliver from our unique global platform. These are areas of real future potential.

Two new strategic initiatives that we highlighted in August of this year are:

**The creation of PaperlinX Office**

PaperlinX Office combines three Australian businesses which service the office products and stationery market in Australia into a single co-ordinated entity to provide a higher standard of service in a highly competitive marketplace. This new business was launched in August and you will have seen in the Annual Report envelope a flyer showing you the range of products available. We certainly hope you will support your company by purchasing these products when you have the opportunity.

**And finally, the Maryvale Mill Wood Yard**

We have outsourced the new wood yard facility to be built and managed by Price Inc at our Maryvale Mill in Gippsland to further enhance the quality and consistency of pulp to be produced at Maryvale's upgraded pulp facilities, while reducing our costs and limiting our own capital investments.

This summary of strategic initiatives underway across your company shows the alignment with our Core Operating Principles and a real desire to invest time and funds now to improve our results for the future. There is more for us to do, but the successful implementation of these initiatives will substantially improve our future leverage to the upside.

**Environment**

Looking beyond financials and strategic initiatives, we are also progressing in both social and environmental areas that improve our sustainability as a company.

As a global company, we are committed to continuously improving both our social and environmental performance and setting the scene for further improvement.

As examples, our investments in the Maryvale Pulp Mill and Bleach Plant Upgrade, our greater range of recycled and independently certified products and our more efficient merchant logistics integrations that reduce energy use and emissions are all targeted at further improving our environmental performance.

The upgrade of our Maryvale pulp capacity also underpins our move to 100% plantation sourced fibre for communications paper by 2017, while at the same time supporting our move to recycled water for our paper-making activities, reducing emissions and allowing the production of elemental chlorine free pulp.

Our participation in the creation of the Cores and Links Conservation Area in Gippsland, working with our major plantation supplier, the Victorian Government, councils and community organisations is an example of sound conservation, social and commercial outcomes coming together.

We have also continued to achieve environmental certification of our products including Reflex<sup>TM</sup> which is now Forestry Stewardship Council (FSC) certified along with a growing list of our merchants and Mills which have gained FSC Chain of Custody certification.

And our focus on recycling also continues to grow as seen by our use of 70 – 80 thousand tonnes of recycled products that would otherwise go to landfill. We are seeing increased sales of products with recycled content and positive employee environmental initiatives across our company.

Overall a good story, reflected in our membership of the FTSE4Good Index.



## **Our People**

How we bring together and share the collective knowledge and enthusiasm of our people will determine our long term success. To support our people and grow their skills we must invest in them.

In 2006, we have completed training for around 300 of our most senior managers, building on leadership skills as well as introducing a common approach to growing economic profit to create value for shareholders.

We have an advanced sales training programme underway at present to provide our salespeople with additional tools to be able to better define and communicate our value propositions to our customers and we will continue to roll out new programmes to support the development and growth of our people.

As the Chairman has already mentioned, workplace safety is also a key priority for the Board and for our people at PaperlinX. Our Sustainability Report highlights many of the initiatives occurring across the Group in this area. Our key measures of performance in this area, lost time injury frequency rate and medically treated injury frequency rate were down 27% and 26% respectively on last year with a particularly good improvement in the European businesses and with the shared "Search for the Future" initiative at our Maryvale Mill.

## **Conclusion**

This year has been about focus. Focus on our products. Focus on the areas within our control. Focus on our customers and our unique offerings. To be successful we need to be better. Better than we are today and better than our competition. We need to have the best product portfolio, with differentiated products. We need simple and clear value propositions. Our focus this year has moved us well down this path.

While there do appear to be more positive developments occurring within the industry to address some of the structural issues I mentioned earlier, we will remain focussed on delivering on the commitments to our shareholders, our

suppliers, our customers and to our employees that we can control, regardless of the external environment we operate in.

I would like to thank my fellow employees for the progress we have made this year, and for the courage they have shown in looking for new ways of doing business. The energy and collaboration to identify and deliver better ways of operating is increasingly visible across the Company, and underpins our future success.

Thank you.

**Thomas P. Park**  
Managing Director  
And Chief Executive Officer

20 October 2006





## **Annual General Meeting**

**Chairman – David Meiklejohn**

# Order of Business

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- Introduction
- Chairman's address
- Managing Director's address
- Discussion of accounts
- Election of Directors
- Consideration and vote on Remuneration Report
- Consideration and vote on non-executive Directors' remuneration
- Consideration and vote on renewal of Partial Takeovers Provision
- Refreshments

**PaperlinX**

***PaperlinX***

# Introduction

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- Challenging conditions throughout 2006
- Internal initiatives and momentum
- Balanced earnings
- Focus on longer term sustainable returns

**PaperlinX**

## Agenda

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- Year in review
- Future strategy
- Corporate Governance
- Workplace safety
- September quarter results
- Outlook

**PaperlinX**

# Year in Review

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- Key external factors
  - Global supply / demand
  - Paper selling prices
  - Continued weak US dollar
  - Input costs
- Creditable paper merchanting result
- Depressed manufacturing result
- Returns in top quartile of industry
- Key strategic initiatives on track
- Dividend Reinvestment Plan

**PaperlinX**

## Future Strategy

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- Strengthening and improving Australian manufacturing
- Building on an expanding merchanting platform
- Focus on financial fundamentals

**PaperlinX**

# Corporate Governance

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- Committed to best practice
- Restructuring of Directors' remuneration
  - comply with best practice guidelines
  - terminate existing retirement scheme
  - resolution later in meeting

**PaperlinX**

# Workplace Safety

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- Strong commitment at all levels
- Board priority
  - Continual improvement
  - Targets
- Reflected in senior management incentives

**PaperlinX**



# September Quarter and Outlook

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- Challenging conditions continued in the first quarter
- First quarter ahead of prior corresponding period
- Positive developments appearing in overseas markets
- Manufacturing will need improved external conditions to fully deliver targeted returns

**PaperlinX**

## Conclusion

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- Difficult economic conditions
- Positive momentum
- Focus on clear targets
- Substantial effort with good progress

**PaperlinX**



## **Annual General Meeting**

**Managing Director – Tom Park**

# Introduction

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- Strategic Initiatives to improve long term returns
- Industry structure
  - Global over capacity
  - Higher input costs
  - Solutions in the manufacturers' hands
- Internal focus on efficiency

**PaperlinX**

## 2006 Group Results

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- Net profit **A\$ 65.4 million**
  - Down on prior year
  - One-off items
  - Stabilised in second half
- Operating earnings (EBIT) **A\$152 million**
  - Weaker in Australian, NZ and UK markets, and Australian Paper
  - Strong in North America and Asia
  - Operating cash flow A\$260 million
  - Working capital reduction A\$88 million

**PaperlinX**

# 2006 Business Performances

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	VOLUME	PRICES	COSTS	PROFITS
Australian/New Zealand Merchanting	↓	↓	↓	↓
Asian Merchanting	↑	↑	↓	↑
Paper Trading	↓	↑	↓	↑
North American Merchanting	↑	↑	↑	↑
European Merchanting	↓	↓	↓	↓
Australian Paper	↓	↓	↑	↓

**PaperlinX**

## Core Operating Principles

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Our Core Operating Principles have provided guidance to improve our competitiveness and position ourselves for improved returns going forward:

- Strengthen then build off existing business platforms
- Productivity to provide funds to improve sustainability and growth
- Simplification
- Actively prioritise activities based on value creation for our customers, suppliers and for PaperlinX
- Fully leverage our global opportunities
- Invest in our people and their skills
- Compliance is mandatory
- Results oriented teamwork/success as a team

**PaperlinX**

# Key Strategic Initiatives

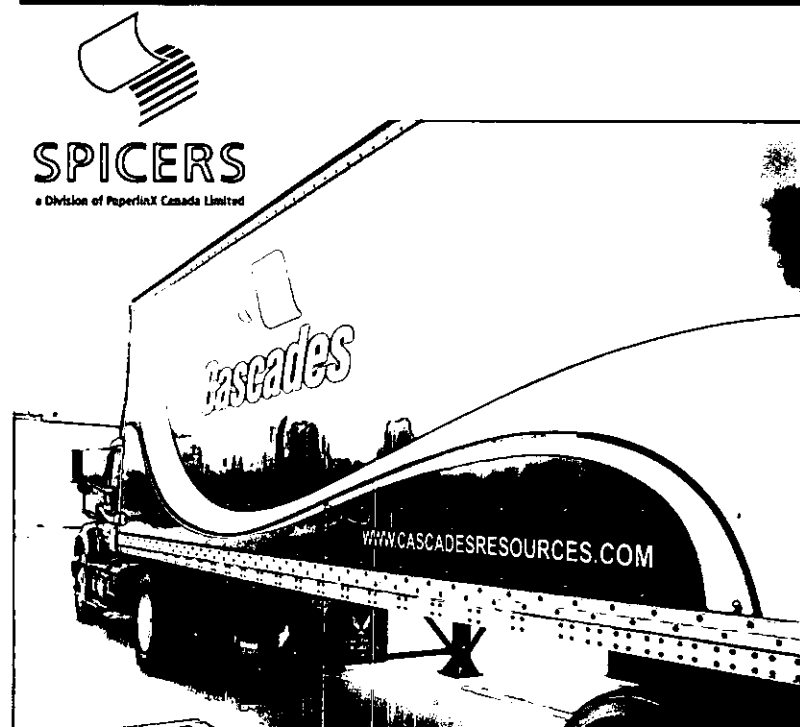
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- Built from our core operating principles
- Investing in the future
- Positive and growing contribution from 2007
  - Net \$23 million in 2007 (\$35 million less \$12 million for new initiatives)
  - Over \$100 million in 2009
- Tough decisions taken

PaperlinX

## Cascades Acquisition

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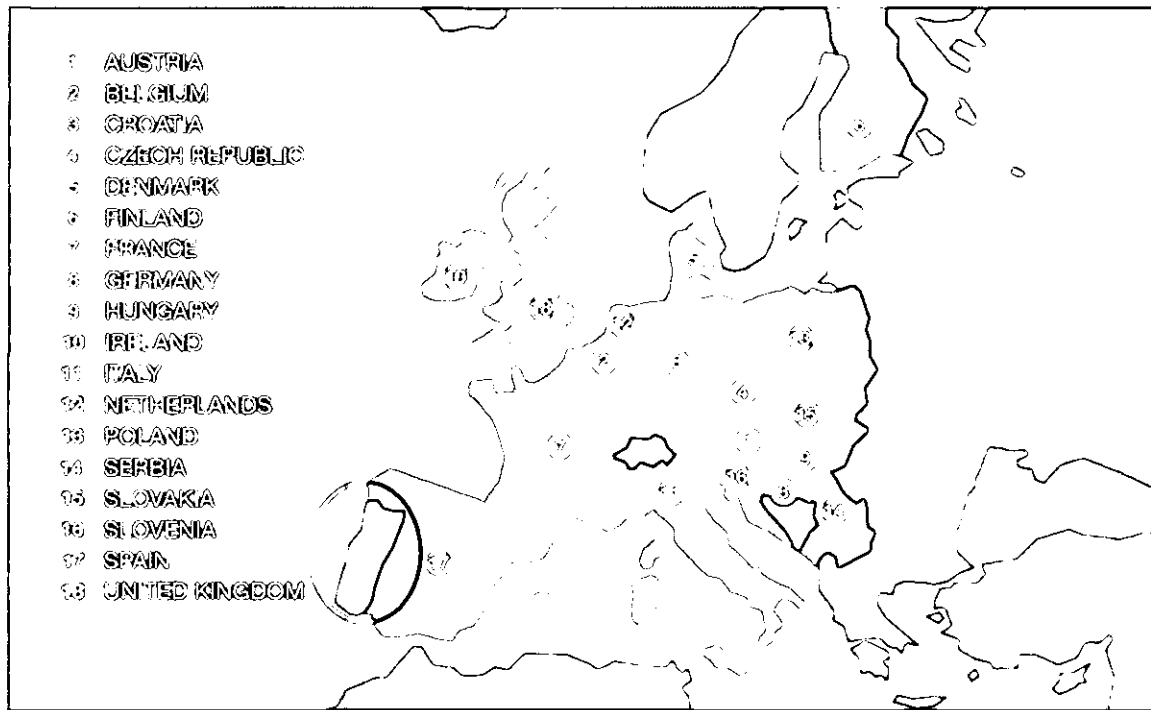


- \$100 million cost
- 15% return achieved
- Sale of western Canadian business

PaperlinX

# Exit from Portuguese Market

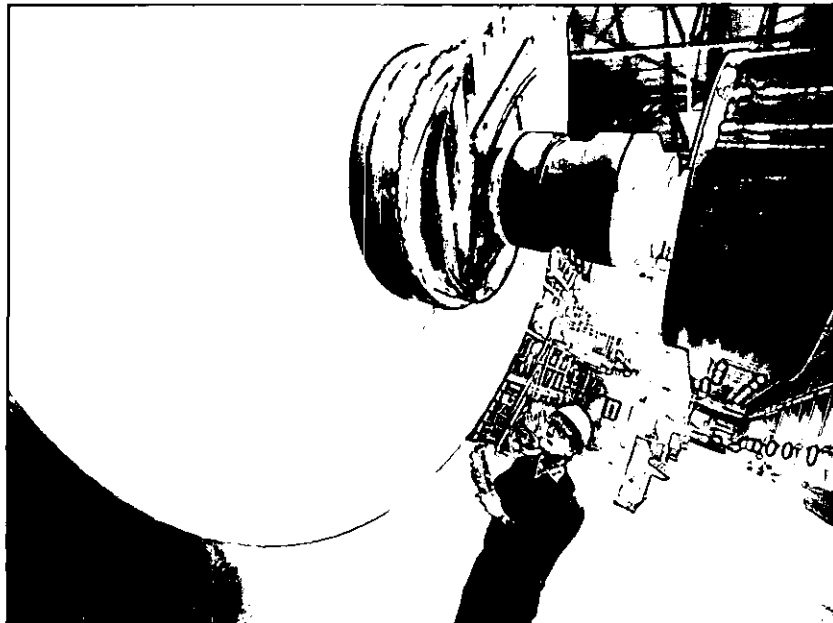
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PaperlinX

## Shoalhaven PM 1 Closure

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- Improve efficiency
- One-off cost of \$15 million

PaperlinX

# Upgrade of Maryvale Paper Machine 1

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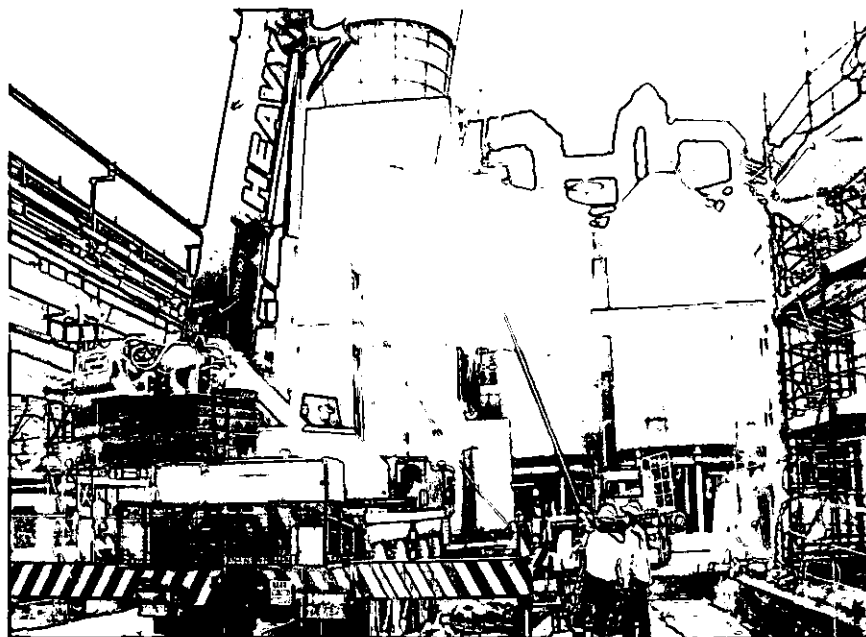


- Upgrade complete
- Product uptake improving

PaperlinX

## Pulp Mill and Bleach Plant Upgrade

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- \$203 million investment
- Lower pulp cost
- Environmental and quality benefits

PaperlinX

# Netherlands Integration

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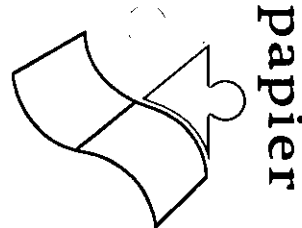


BührmannUbbens



Proost en Brandt

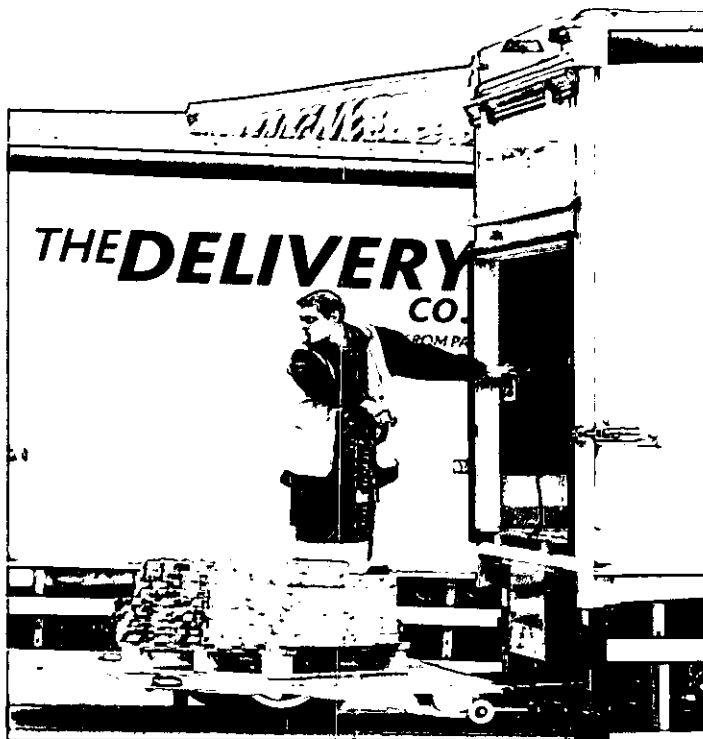
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**PaperlinX**

## The Delivery Co

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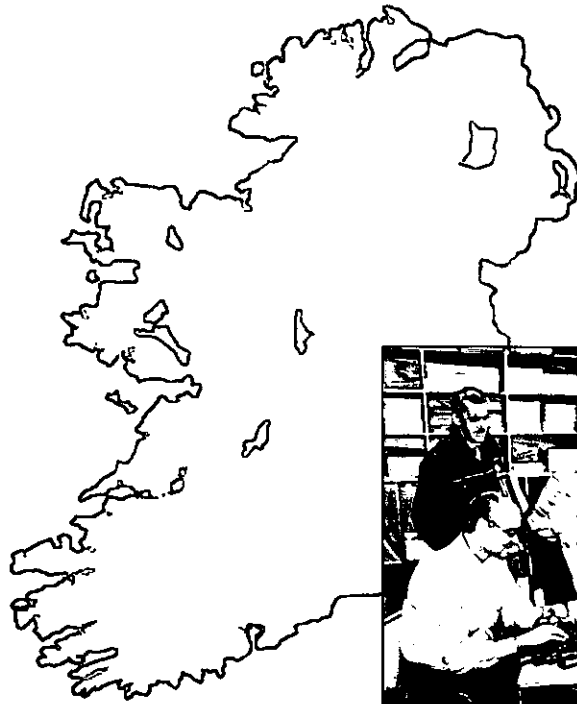
- Integrated logistics
- Improves service
- 1<sup>st</sup> site operational

**PaperlinX**



# European IT Platform

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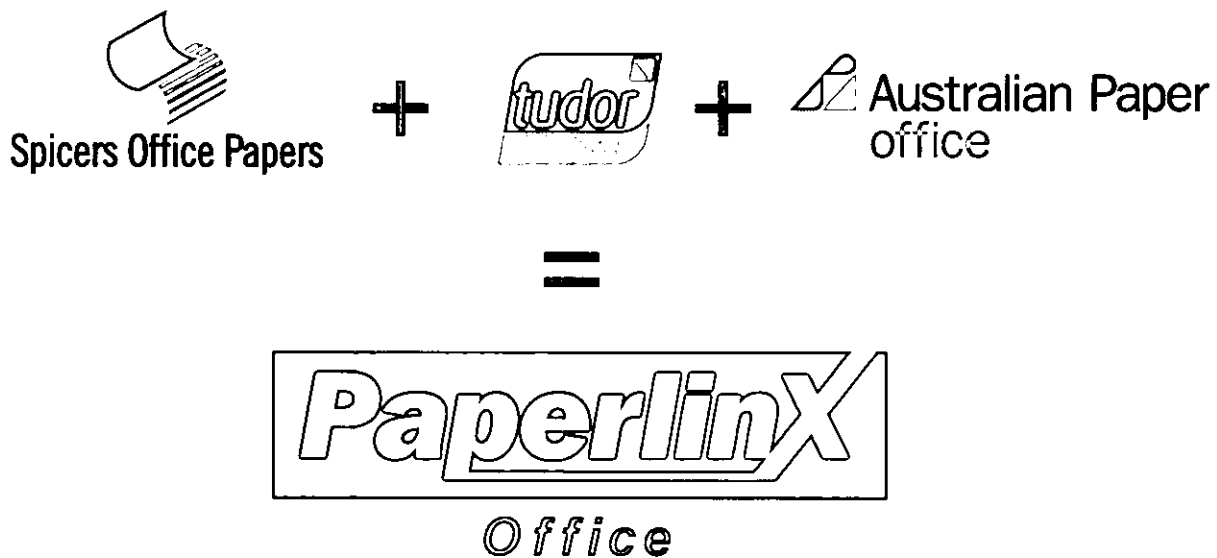
- Common European IT platform
- Launched in Ireland successfully
- Roll-out progressively



**PaperlinX**

## PaperlinX Office

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**PaperlinX**

# Maryvale Wood Yard Outsourcing

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- Agreement concluded
- Quality and cost benefits

**PaperlinX**

## Environment

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- Continuous improvement in social and environmental performance
- Strategic investments
- “Cores and Links” local example
- FSC (Forestry Stewardship Council) chain-of-custody certification
- Recycling
- FTSE 4 Good Index

**PaperlinX**

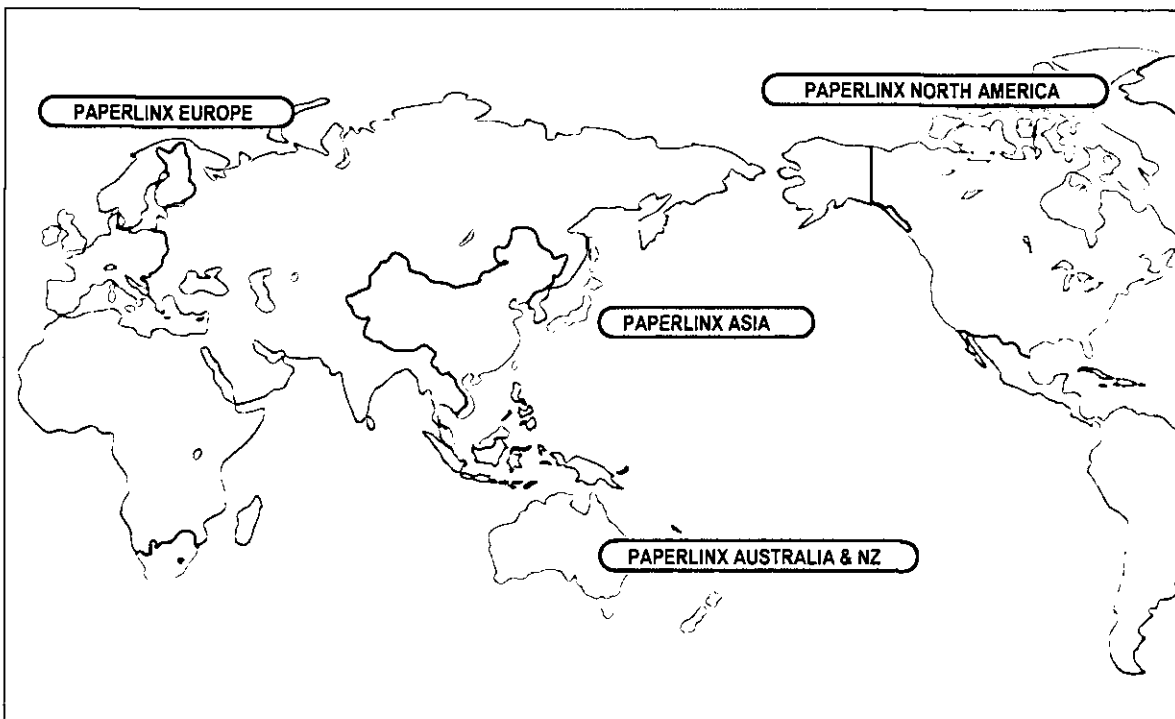
# Our People



- Leadership training
- Advanced sales training programme
- Workplace safety
  - LTIFR down by 27%
  - "Search for the Future"

**PaperlinX**

## PaperlinX



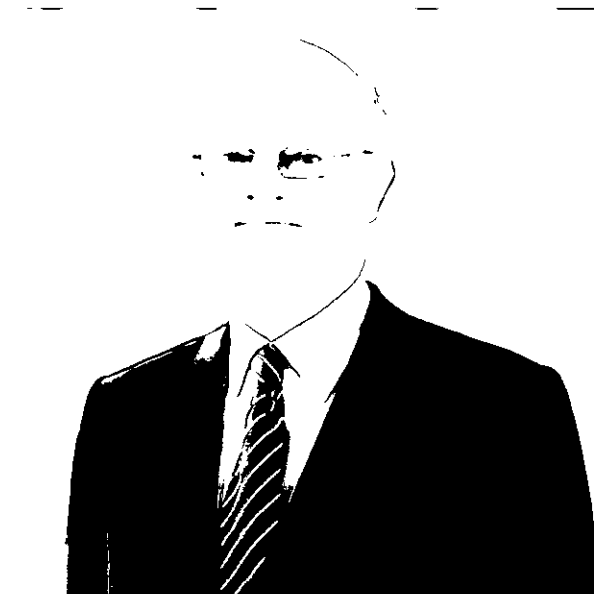
**PaperlinX**



## Election of Directors

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Andrew Guy



# Election of Directors

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Nora Scheinkestel



**PaperlinX**

***PaperlinX***

# Proxy Summary

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Resolution	Proxies		
	For (including Open proxies to Chairman)	Against	Open proxies (Other than to Chairman)
Election of Mr A F Guy	226,806,997	1,322,491	1,871,677
Election of Dr N L Scheinkestel	225,650,236	2,468,063	1,871,677
Remuneration Report	221,532,231	5,760,654	1,877,222
NEDs Remuneration	212,905,141	10,946,201	3,995
Partial Takeovers Provision	219,631,313	2,239,284	1,870,258

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# Results of Poll

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Resolution	For	Against
Election of Mr A F Guy	XX.X%	XX.X%
Election of Dr N L Scheinkestel	XX.X%	XX.X%
Remuneration Report	XX.X%	XX.X%
NEDs Remuneration	XX.X%	XX.X%
Partial Takeovers Provision	XX.X%	XX.X%

**PaperlinX**

## Disclaimer

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### Forward looking Statements:

Certain statements in this release relate to the future, including forward looking statements relating to PaperlinX's financial position and strategy. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of PaperlinX to be materially different from future results, performance or achievements expressed or implied by such statements. Neither PaperlinX nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur and you are cautioned not to place undue reliance on such forward looking statements.

Subject to any continuing obligations under applicable law or any relevant listing rules of the ASX, PaperlinX disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this document to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

**PaperlinX**

***PaperlinX***





*PaperlinX Limited*  
**ACN 005 146 350**  
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Victoria 3149 Australia  
Tel: +61 3 8540 2264  
Fax: +61 3 8540 2291

20 October 2006

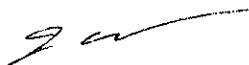
Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**Results of Annual General Meeting  
PaperlinX Limited**

In accordance with Listing Rule 3.13.2 and section 251AA of the Corporations Act, we advise that details of the resolutions and the proxies received in respect of each resolution are set out in the attached proxy summary.

Your faithfully,



James Orr  
Company Secretary

Encl.

**2a Re-election of Director - Mr A F Guy**

The instructions given to validly appointed proxies in respect of the resolution were as follows:

In Favour	Against	Abstention	Proxy's discretion
219,950,860	1,322,491	697,954	8,727,814

The motion was carried as an ordinary resolution on a poll the details of which are:

In Favour	Against	Abstention
227,638,570	3,199,642	705,066

**2b Re-election of Director - Dr N L Scheinkestel**

The instructions given to validly appointed proxies in respect of the resolution were as follows:

In Favour	Against	Abstention	Proxy's discretion
218,780,201	2,468,063	709,143	8,741,712

The motion was carried as an ordinary resolution on a poll the details of which are:

In Favour	Against	Abstention
226,484,014	4,344,192	716,255

**3 Adopt the Remuneration Report for the year ended 30 June 2006**

The instructions given to validly appointed proxies in respect of the resolution were as follows:

In Favour	Against	Abstention	Proxy's discretion
214,592,280	5,760,654	1,529,012	8,817,173

The motion was carried as an ordinary resolution on a poll the details of which are:

In Favour	Against	Abstention
224,164,902	5,792,175	1,582,656

**4 Increase in aggregate cap of Non-executive Directors' remuneration**

The instructions given to validly appointed proxies in respect of the resolution were as follows:

In Favour	Against	Abstention	Proxy's discretion
210,195,721	10,946,201	1,102,868	4,488,427

The motion was carried as a ordinary resolution on a poll the details of which are:

In Favour	Against	Abstention
213,506,860	12,746,111	1,150,341

**5 Renewal of Partial Takeovers Provision in the Constitution**

The instructions given to validly appointed proxies in respect of the resolution were as follows:

In Favour	Against	Abstention	Proxy's discretion
212,550,740	2,239,284	6,958,264	8,950,831

The motion was carried as a special resolution on a poll the details of which are:

In Favour	Against	Abstention
222,315,281	2,258,178	6,967,376



## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

PaperlinX Limited

ABN

ABN 70 005 146 350

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                           |
|---|--|---------------------------|
| 1 | *Class of *securities issued or to be issued   | Ordinary shares           |
| 2 | Number of *securities issued or to be issued (if known) or maximum number which may be issued  | 1,610,971                 |
| 3 | Principal terms of the *securities (eg, if options, exercise price and expiry date; if partly paid *securities, the amount outstanding and due dates for payment; if *convertible securities, the conversion price and dates for conversion) | Full paid ordinary shares |

---

+ See chapter 19 for defined terms.

4	Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?	Yes				
<p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>						
5	Issue price or consideration	\$3.50 per share				
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<u>13/10/06</u> Shares issued to shareholders who elected to participate in the Dividend Reinvestment Plan prior to record date for the 2006 Final Dividend, being 22 September 2006.				
		<u>16/10/06</u> Shares issued following the exercise of options pursuant to the PaperlinX Employee Share/Option Plan				
7	Dates of entering *securities into uncertificated holdings or despatch of certificates	13 October 2006 – 1,585,971 16 October 2006 – 25,000				
8	Number and *class of all *securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="737 1234 997 1262">Number</th> <th data-bbox="1008 1234 1256 1262">*Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="737 1268 997 1295">447,793,180</td> <td data-bbox="1008 1268 1256 1295">Ordinary Shares</td> </tr> </tbody> </table>	Number	*Class	447,793,180	Ordinary Shares
Number	*Class					
447,793,180	Ordinary Shares					

+ See chapter 19 for defined terms.

9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th><sup>+</sup>Class</th></tr><tr><td>4,611,670 (included in this figure is 25,000 performance options which was exercised on 16 October 2006)</td><td>Employee share options</td></tr></table>	Number	<sup>+</sup> Class	4,611,670 (included in this figure is 25,000 performance options which was exercised on 16 October 2006)	Employee share options
Number	<sup>+</sup> Class					
4,611,670 (included in this figure is 25,000 performance options which was exercised on 16 October 2006)	Employee share options					
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A				

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the <sup>+</sup> securities will be offered	
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	
15	<sup>+</sup> Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents	
	<small>Note: Security holders must be told how their entitlements are to be dealt with.</small> <small>Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.



- |    |   |  |
|----|---|--|
| 20 | Names of any underwriters   |  |
| 21 | Amount of any underwriting fee or commission  |  |
| 22 | Names of any brokers to the issue   |  |
| 23 | Fee or commission payable to the broker to the issue  |  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders   |  |
| 25 | If the issue is contingent on *security holders' approval, the date of the meeting  |  |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  |  |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders |  |
| 28 | Date rights trading will begin (if applicable)  |  |
| 29 | Date rights trading will end (if applicable)  |  |
| 30 | How do *security holders sell their entitlements <i>in full</i> through a broker?   |  |
| 31 | How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?  |  |

---

+ See chapter 19 for defined terms.

32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?

33 <sup>+</sup>Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

<sup>+</sup> See chapter 19 for defined terms.

# **Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

--

39 Class of +securities for which  
quotation is sought

--

40 Do the +securities rank equally in all  
respects from the date of allotment  
with an existing +class of quoted  
+securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next dividend,  
(in the case of a trust,  
distribution) or interest payment
- the extent to which they do not  
rank equally, other than in  
relation to the next dividend,  
distribution or interest payment

--

41 Reason for request for quotation  
now

Example: In the case of restricted securities, end of  
restriction period

(if issued upon conversion of  
another security, clearly identify that  
other security)

--

42 Number and +class of all +securities  
quoted on ASX (*including* the  
securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

**Quotation agreement**

- 1     \*Quotation of our additional \*securities is in ASX's absolute discretion. ASX may quote the \*securities on any conditions it decides.
- 2     We warrant the following to ASX.
  - The issue of the \*securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those \*securities should not be granted \*quotation.
  - An offer of the \*securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any \*securities to be quoted and that no-one has any right to return any \*securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the \*securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the \*securities to be quoted under section 1019B of the Corporations Act at the time that we request that the \*securities be quoted.
- 3     We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4     We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before \*quotation of the \*securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
                     (Director/Company secretary)

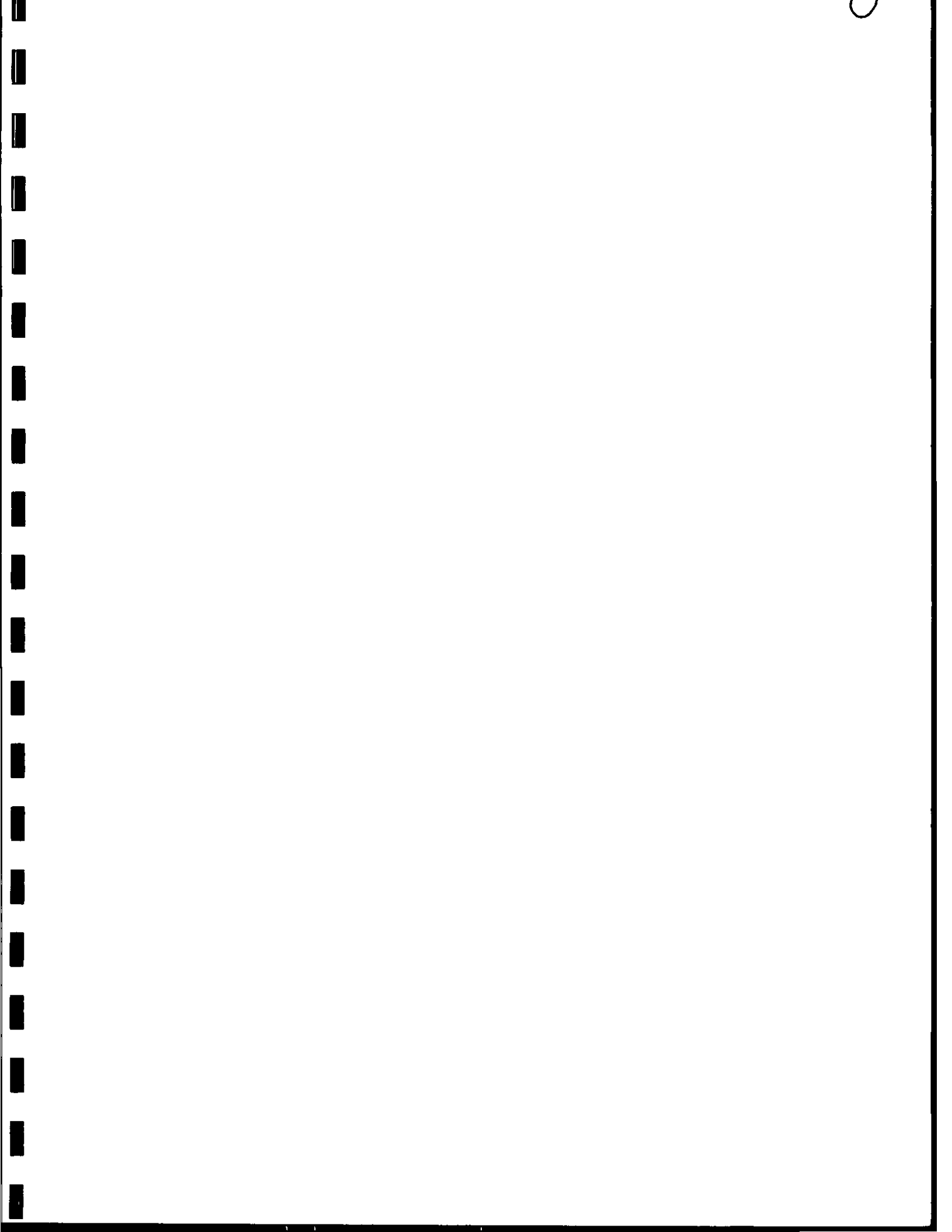
Date: 20 October 2006

Print name: James K Orr

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+ See chapter 19 for defined terms.



# Appendix 3Y

## Change of Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity</b>	PAPERLINX LIMITED
<b>ABN</b>	70 005 146 350

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	Andrew Frank Guy
<b>Date of last notice</b>	3 March 2006

### Part 1 - Change of director's relevant interests in securities

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

<b>Direct or indirect interest</b>	Direct and Indirect
<b>Nature of indirect interest (including registered holder)</b> Note: Provide details of the circumstances giving rise to the relevant interest.	Indirect interest are shares purchased through Ristolle Pty Limited
<b>Date of change</b>	13 October 2006
<b>No. of securities held prior to change</b>	58,256 - Direct 7,401 - Indirect 50,855
<b>Class</b>	Fully paid ordinary shares
<b>Number acquired</b>	Direct - 95 shares Indirect - 385 shares
<b>Number disposed</b>	-
<b>Value/Consideration</b> Note: If consideration is non-cash, provide details and estimated valuation	\$3.50 per share
<b>No. of securities held after change</b>	58,736 - Direct 7,496 - Indirect 51,240
<b>Nature of change</b> Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Participation in the Dividend Reinvestment Plan.

**Part 2 – Change of director's interests in contracts**

<b>Detail of contract</b>	
<b>Nature of interest</b>	
<b>Name of registered holder (if issued securities)</b>	
<b>Date of change</b>	
<b>No. and class of securities to which interest related prior to change</b> <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
<b>Interest acquired</b>	
<b>Interest disposed</b>	
<b>Value/Consideration</b> <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
<b>Interest after change</b>	





# Appendix 3Y

## Change of Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity</b>	PAPERLINX LIMITED
<b>ABN</b>	70 005 146 350

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	Lindsay James Yelland
<b>Date of last notice</b>	3 March 2006

### Part 1 - Change of director's relevant interests in securities

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

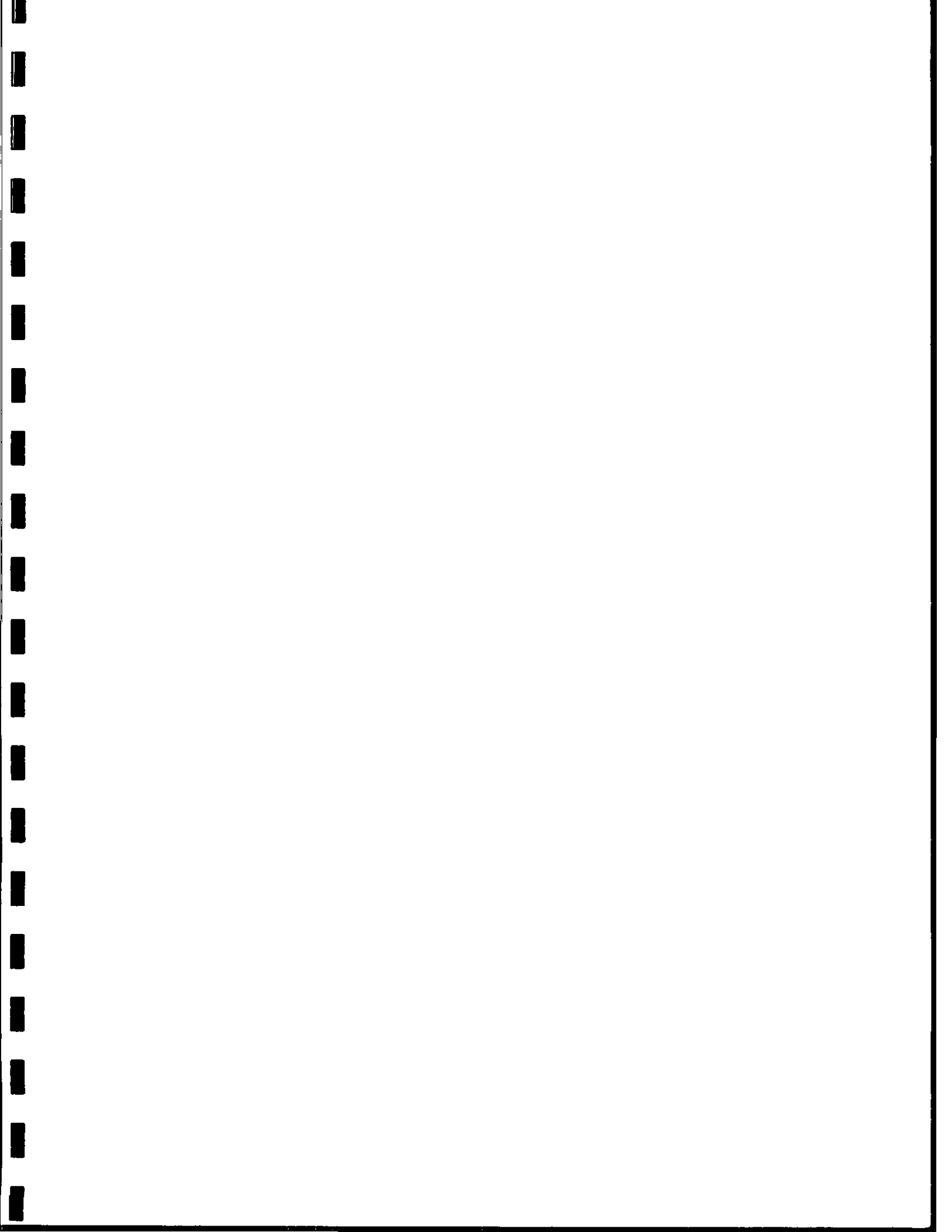
<b>Direct or indirect interest</b>	Direct and indirect
<b>Nature of indirect interest (including registered holder)</b> Note: Provide details of the circumstances giving rise to the relevant interest.	Indirect interest are shares purchased by Suzanne Jeanette Yelland
<b>Date of change</b>	13 October 2006
<b>No. of securities held prior to change</b>	32,672 - Direct 23,357 - Indirect 9,315
<b>Class</b>	Fully paid ordinary shares
<b>Number acquired</b>	Direct - 299 Indirect - 119
<b>Number disposed</b>	-
<b>Value/Consideration</b> Note: If consideration is non-cash, provide details and estimated valuation	\$3.50 per share
<b>No. of securities held after change</b>	33,090 - Direct 23,656 - Indirect 9,434
<b>Nature of change</b> Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Participation in the Dividend Reinvestment Plan.

+ See chapter 19 for defined terms.

**Part 2 – Change of director's interests in contracts**

<b>Detail of contract</b>	
<b>Nature of interest</b>	
<b>Name of registered holder (if issued securities)</b>	
<b>Date of change</b>	
<b>No. and class of securities to which interest related prior to change</b> <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
<b>Interest acquired</b>	
<b>Interest disposed</b>	
<b>Value/Consideration</b> <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
<b>Interest after change</b>	

+ See chapter 19 for defined terms.



# Appendix 3Y

## Change of Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity</b>	PAPERLINX LIMITED
<b>ABN</b>	70 005 146 350

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	Nora Lia Scheinkestel
<b>Date of last notice</b>	31 August 2006

### Part 1 - Change of director's relevant interests in securities

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

<b>Direct or indirect interest</b>	Indirect
<b>Nature of indirect interest (including registered holder)</b> Note: Provide details of the circumstances giving rise to the relevant interest.	Shares purchased through 1. Scheinkestel Superannuation Pty Ltd A/C No. 2 2. Scheinkestel Superannuation Pty Ltd A/C No. 3
<b>Date of change</b>	13 October 2006
<b>No. of securities held prior to change</b>	37,975
<b>Class</b>	Fully paid ordinary shares
<b>Number acquired</b>	Scheinkestel Superannuation Pty Ltd A/C No. 2 - 82 shares Scheinkestel Superannuation Pty Ltd A/C No. 3 - 405 shares
<b>Number disposed</b>	-
<b>Value/Consideration</b> Note: If consideration is non-cash, provide details and estimated valuation	\$3.50 per share
<b>No. of securities held after change</b>	38,462

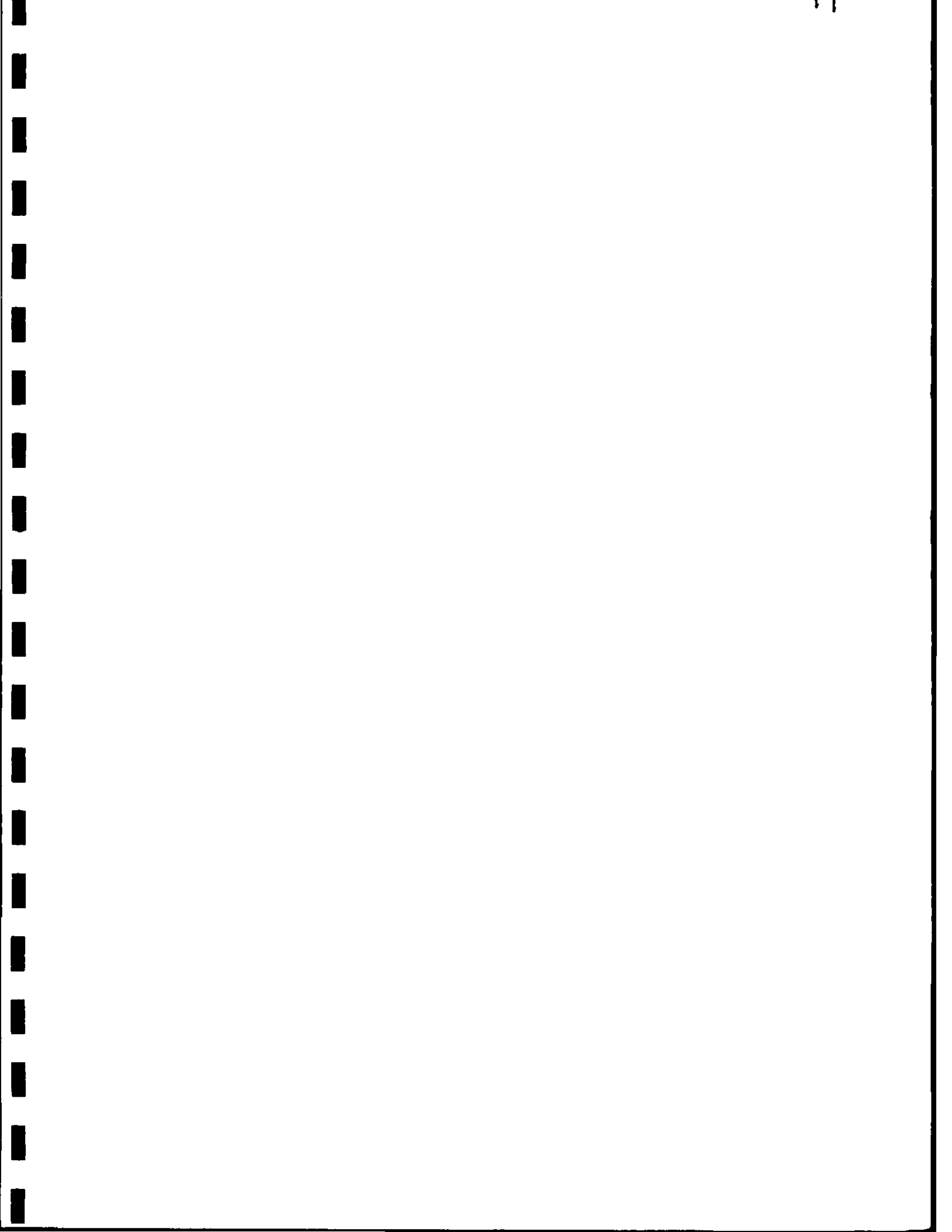
+ See chapter 19 for defined terms.

<b>Nature of change</b> Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	<b>Participation in the Dividend Reinvestment Plan.</b>
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**Part 2 – Change of director's interests in contracts**

<b>Detail of contract</b>	-
<b>Nature of interest</b>	-
<b>Name of registered holder (if issued securities)</b>	-
<b>Date of change</b>	-
<b>No. and class of securities to which interest related prior to change</b> Note: Details are only required for a contract in relation to which the interest has changed	-
<b>Interest acquired</b>	-
<b>Interest disposed</b>	-
<b>Value/Consideration</b> Note: If consideration is non-cash, provide details and an estimated valuation	-
<b>Interest after change</b>	-

+ See chapter 19 for defined terms.



# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

PaperlinX Limited

ABN

ABN 70 005 146 350

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                           |
|---|--|---------------------------|
| 1 | +Class of +securities issued or to be issued   | Ordinary shares           |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 175,000                   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Full paid ordinary shares |

---

+ See chapter 19 for defined terms.

- 4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

Yes

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

- 5 Issue price or consideration

150,000 options at exercise price of \$3.13  
25,000 options at exercise price of \$3.32

- 6 Purpose of the issue  
(If issued as consideration for the acquisition of assets, clearly identify those assets)

Shares issued following the exercise of options pursuant to the PaperlinX Employee Share/Option Plan

- 7 Dates of entering +securities into uncertificated holdings or despatch of certificates

30 October 2006

- 8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)

Number	+Class
447,968,180	Ordinary Shares

+ See chapter 19 for defined terms.



9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th><sup>+</sup>Class</th></tr><tr><td>4,436,670 (included in this figure is 175,000 options which was exercised on 30 October 2006)</td><td>Employee share options</td></tr></table>	Number	<sup>+</sup> Class	4,436,670 (included in this figure is 175,000 options which was exercised on 30 October 2006)	Employee share options
Number	<sup>+</sup> Class					
4,436,670 (included in this figure is 175,000 options which was exercised on 30 October 2006)	Employee share options					
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A				

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the <sup>+</sup> securities will be offered	
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	
15	<sup>+</sup> Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

- |    |   |  |
|----|---|--|
| 20 | Names of any underwriters   |  |
| 21 | Amount of any underwriting fee or commission  |  |
| 22 | Names of any brokers to the issue   |  |
| 23 | Fee or commission payable to the broker to the issue  |  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders   |  |
| 25 | If the issue is contingent on *security holders' approval, the date of the meeting  |  |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  |  |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders |  |
| 28 | Date rights trading will begin (if applicable)  |  |
| 29 | Date rights trading will end (if applicable)  |  |
| 30 | How do *security holders sell their entitlements <i>in full</i> through a broker?   |  |
| 31 | How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?  |  |

---

+ See chapter 19 for defined terms.

- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?

- 33 <sup>+</sup>Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

- 36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories
- 1 - 1,000
  - 1,001 - 5,000
  - 5,001 - 10,000
  - 10,001 - 100,000
  - 100,001 and over

- 37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

<sup>+</sup> See chapter 19 for defined terms.

## Entities that have ticked box 34(b)

38 Number of securities for which  
+quotation is sought

--

39 Class of +securities for which  
quotation is sought

--

40 Do the +securities rank equally in all  
respects from the date of allotment  
with an existing +class of quoted  
+securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next dividend,  
(in the case of a trust,  
distribution) or interest payment
- the extent to which they do not  
rank equally, other than in  
relation to the next dividend,  
distribution or interest payment

--

41 Reason for request for quotation  
now

Example: In the case of restricted securities, end of  
restriction period

(if issued upon conversion of  
another security, clearly identify that  
other security)

--

42 Number and +class of all +securities  
quoted on ASX (including the  
securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

**Quotation agreement**

1     \*Quotation of our additional \*securities is in ASX's absolute discretion. ASX may quote the \*securities on any conditions it decides.

2     We warrant the following to ASX.

- The issue of the \*securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those \*securities should not be granted \*quotation.
- An offer of the \*securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any \*securities to be quoted and that no-one has any right to return any \*securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the \*securities be quoted.
- If we are a trust, we warrant that no person has the right to return the \*securities to be quoted under section 1019B of the Corporations Act at the time that we request that the \*securities be quoted.

3     We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4     We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before \*quotation of the \*securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .....  
(~~Director~~/Company secretary)

Date: 31 October 2006

Print name: James K Orr

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+ See chapter 19 for defined terms.



# Appendix 3Y

## Change of Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity</b>	<b>PAPERLINX LIMITED</b>
<b>ABN</b>	<b>70 005 146 350</b>

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	Lindsay James Yelland
<b>Date of last notice</b>	20 October 2006

### Part 1 - Change of director's relevant interests in securities

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

<b>Direct or indirect interest</b>	Direct
<b>Nature of indirect interest (including registered holder)</b> Note: Provide details of the circumstances giving rise to the relevant interest.	-
<b>Date of change</b>	30 October 2006
<b>No. of securities held prior to change</b>	33,090 – Direct 23,656 - Indirect 9,434
<b>Class</b>	Fully paid ordinary shares
<b>Number acquired</b>	378
<b>Number disposed</b>	-
<b>Value/Consideration</b> Note: If consideration is non-cash, provide details and estimated valuation	\$4.03 per share
<b>No. of securities held after change</b>	33,468 – Direct 24,034 - Indirect 9,434
<b>Nature of change</b> Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	On market purchase pursuant to the PaperlinX Directors and Officers Share Plan

+ See chapter 19 for defined terms.

**Part 2 – Change of director's interests in contracts**

<b>Detail of contract</b>	
<b>Nature of interest</b>	
<b>Name of registered holder (if issued securities)</b>	
<b>Date of change</b>	
<b>No. and class of securities to which interest related prior to change</b> <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
<b>Interest acquired</b>	
<b>Interest disposed</b>	
<b>Value/Consideration</b> <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
<b>Interest after change</b>	

+ See chapter 19 for defined terms.





## Corporations Act 2001 Section 671B

## Notice of change of interests of substantial holder

To Company Name/Scheme PaperlinX Limited

ACN/ARSN

## 1. Details of substantial holder(1)

Name The Capital Group Companies, Inc.

ACN/ARSN (if applicable) n/a

There was a change in the interests  
of the substantial holder on

02 November 2006

The previous notice was given  
to the company on

18 April 2005

The previous notice was dated

15 April 2005

The shares reported were owned by accounts under the discretionary investment management of 1 investment management company (Capital Research and Management Company) which is a direct or indirect subsidiary of The Capital Group Companies, Inc., 333 South Hope Street, 55th Floor, Los Angeles, California 90071.

## 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary Shares	26,919,422 shares	6.0334%	22,547,000 shares	5.0332%

The shares being reported under this section are owned by accounts under the discretionary investment management of 1 investment management company (Capital Research and Management Company) which is a direct or indirect subsidiary of The Capital Group Companies, Inc., 333 South Hope Street, 55th Floor, Los Angeles, California 90071.

### 3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
18 April 2005 To 2 November 2006	The Capital Group Companies, Inc.	Decrease in Holdings	Average price of 3.4107 AUD	4,372,422 Ordinary Shares	4,372,422

See Annexure A dated 15 April 2005

### 4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (5)	Class and number of securities	Person's votes
		none			
See Annexure A dated 02 November 2006 (copy attached)					

### 5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

### 6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
The Capital Group Companies, Inc.	333 South Hope Street, 55 <sup>th</sup> Floor Los Angeles, CA 90071

Signature

print name: Lillane Corzo

Capacity: Counsel

sign here

date

03 November 2006

## Annexure "A"

This is the Annexure of 1 page marked Annexure "A" referred to in Form 604 signed by this corporation dated 2 November 2006.

The Capital Group Companies, Inc.

By:

  
\_\_\_\_\_  
Liliane Gorzo  
Counsel

2 November 2006

CG Investment Management Company  
Capital Research and Management Company

Account Number  
11000012

Number of Shares    % Held  
22,547,000  
22,547,000

GRAND TOTAL

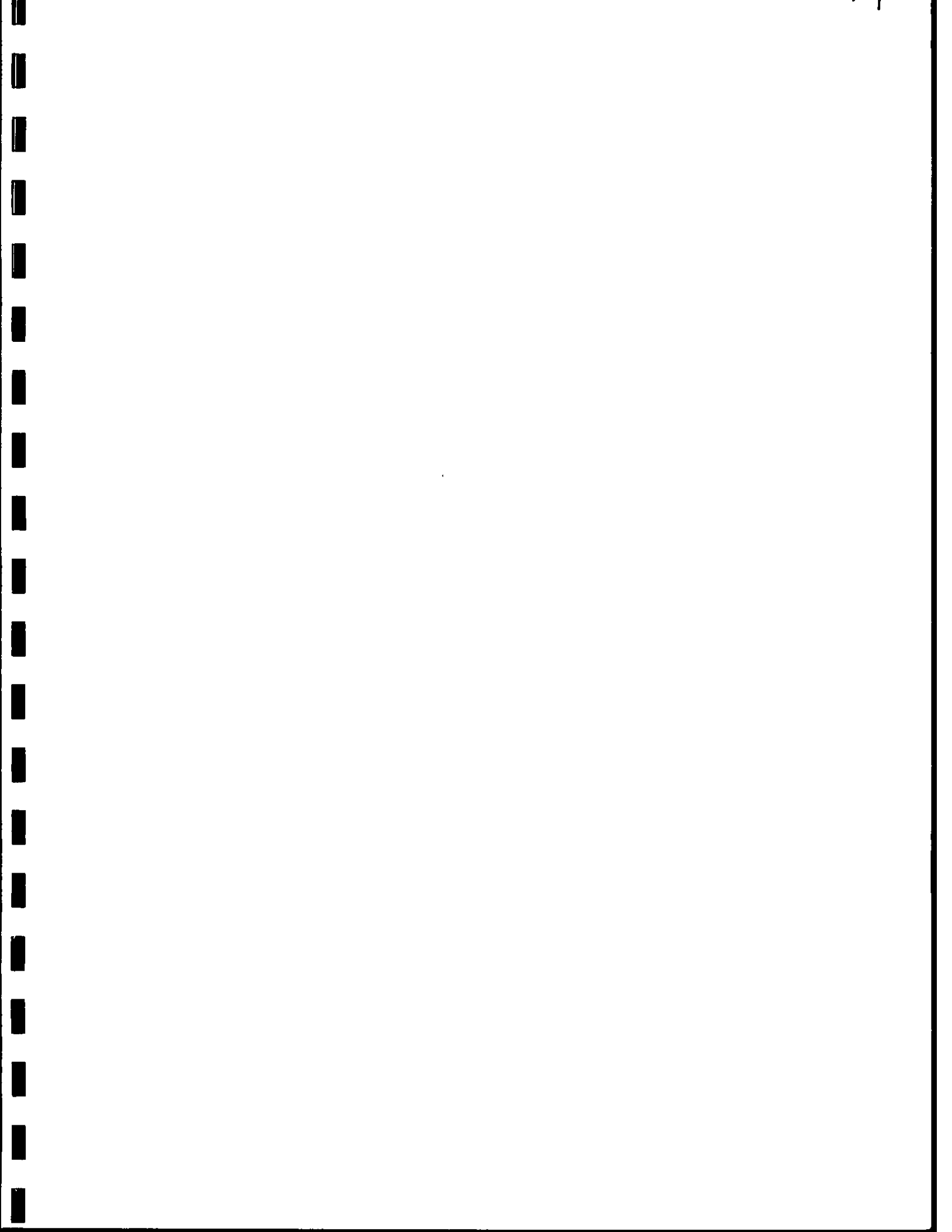
22,547,000    5.03%

Nominee Name

Chase Manhattan Bank Australia Limited  
Level 36 World Trade Centre  
Jamison Street  
Sydney, NSW 2000 Australia  
11000012

Total Shares:

22,547,000  
22,547,000



# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

PaperlinX Limited

ABN

ABN 70 005 146 350

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                           |
|---|--|---------------------------|
| 1 | +Class of +securities issued or to be issued   | Ordinary shares           |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 15,000                    |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Full paid ordinary shares |

---

+ See chapter 19 for defined terms.



4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?	<p>Yes</p>				
	If the additional securities do not rank equally, please state:					
	<ul style="list-style-type: none"> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>					
5	Issue price or consideration	15,000 options at exercise price of \$3.13				
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Shares issued following the exercise of options pursuant to the PaperlinX Employee Share/Option Plan				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	2 November 2006				
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="737 1104 997 1136">Number</th> <th data-bbox="997 1104 1256 1136">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="737 1136 997 1167">447,983,180</td> <td data-bbox="997 1136 1256 1167">Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	447,983,180	Ordinary Shares
Number	+Class					
447,983,180	Ordinary Shares					

+ See chapter 19 for defined terms.

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	4,421,670 (included in this figure are the 15,000 options were exercised on 2 November 2006)	Employee share options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	
25	If the issue is contingent on *security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?

- 33 <sup>+</sup>Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

- 36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories
- 1 - 1,000
  - 1,001 - 5,000
  - 5,001 - 10,000
  - 10,001 - 100,000
  - 100,001 and over

- 37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

<sup>+</sup> See chapter 19 for defined terms.

# **Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

--

39 Class of +securities for which  
quotation is sought

--

40 Do the +securities rank equally in all  
respects from the date of allotment  
with an existing +class of quoted  
+securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next dividend,  
(in the case of a trust,  
distribution) or interest payment
- the extent to which they do not  
rank equally, other than in  
relation to the next dividend,  
distribution or interest payment

--

41 Reason for request for quotation  
now

Example: In the case of restricted securities, end of  
restriction period

(if issued upon conversion of  
another security, clearly identify that  
other security)

--

42 Number and +class of all +securities  
quoted on ASX (*including* the  
securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

# Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .....  
(~~Director~~/Company secretary)

Date: 14 November 2006

Print name: James K Orr

== == == == ==

+ See chapter 19 for defined terms.



## STOCK EXCHANGE RELEASE

**PaperlinX**

PaperlinX Limited  
ABN 70 005 148 350  
307 Fernside Gully Road  
Mt Waverley Victoria 3149  
Australia  
Tel +61 3 8540 2211  
Fax +61 3 8540 2255

23<sup>rd</sup> November, 2006

### VISIT TO OPERATIONS

PaperlinX will be hosting its biannual visit for financial market participants, to its European and North American paper merchanting operations from 27<sup>th</sup> to 30<sup>th</sup> November, 2006. Visits will be made to businesses in Amsterdam (Netherlands), Northampton (UK) and Toronto (Canada). Presentations made on this trip will be lodged with the Australian Stock Exchange in advance and will be available at [www.paperlinx.com](http://www.paperlinx.com) on the day of each visit.

The aim of these visits is to provide an opportunity for the financial market to gain an improved understanding of the drivers of the Company's paper merchanting businesses and the value proposition for customers. Attendees are covering their own costs.

Attached is the introductory presentation which will be made to participants at the opening of the visit.

-ENDS-

For further information contact:

David Shirer  
Executive General Manager – Corporate Affairs  
PaperlinX Limited  
Tel. +61 3 8540 2302

**PaperlinX**

### Visit to Operations

Introductory presentation to be made by  
**David Shirer, Executive General Manager, Corporate Affairs**  
on 27th November, 2006 in Amsterdam



## Introduction - Companies to be visited

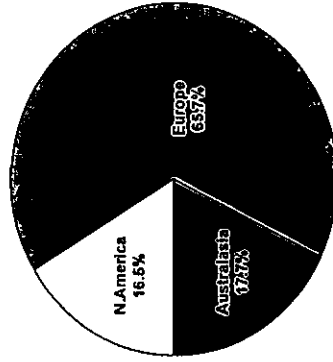
Monday, 27 <sup>th</sup> November 06	PaperlinX Europe
	PaperlinX Netherlands
	Buhrmann-Ubbens
Tuesday, 28 <sup>th</sup> November 06	PaperlinX UK
	Robert Horne Group
	Howard Smith Paper Group
Wednesday 29 <sup>th</sup> November 06	PaperlinX North America
	Spicers Canada

## Core Operating Principles

Our Core Operating Principles have provided guidance to improve our competitiveness and position ourselves for improved returns going forward:

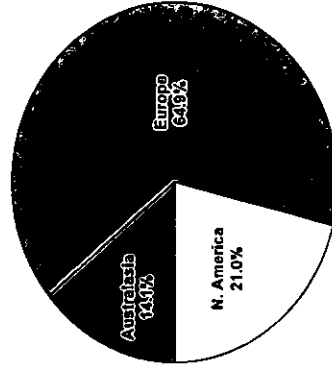
- Strengthen then build off existing business platforms
- Productivity to provide funds to improve sustainability and growth
- Simplification
- Actively prioritise activities based on value creation for our customers, suppliers and for PaperlinX
- Fully leverage our global opportunities
- Invest in our people and their skills
- Compliance is mandatory
- Results oriented teamwork/success as a team.

### Merchant Revenue Split



Total merchant revenue A\$6.9 billion (2006)

### Merchant EBIT Split

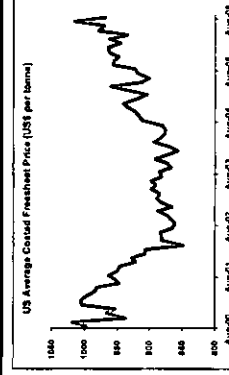


Total merchant EBIT A\$190.4 million (2006)

### Current Market – what we have said

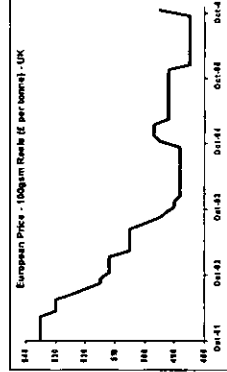
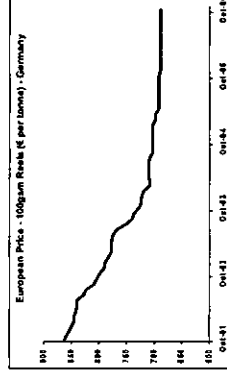
- Negative impacts continue from
  - excess global capacity
  - higher input costs
  - currency impacts on pricing
- Despite positive announcements from paper manufacturers that may ultimately benefit global capacity utilisations, we believe it is too early to predict any sustained improvement in pricing

## Coated Woodfree Paper



US Coated Freeshet Market

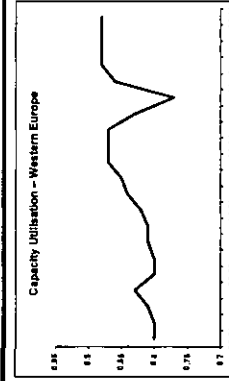
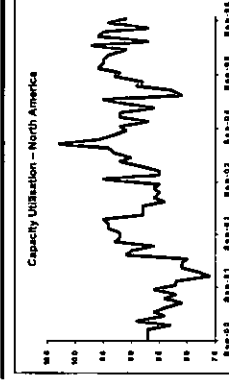
- AUG 06 up 4.8% vs. AUG 05
- YTD 06 up 4.9% vs. YTD 05



Source: RISI & Company Data

PaperlinX

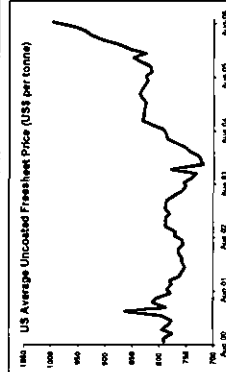
## Coated Woodfree Paper continued



Source: RISI & Company Data

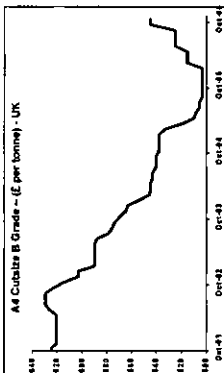
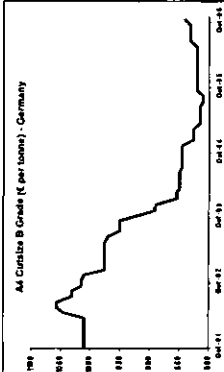
PaperlinX

## Uncoated Woodfree Paper



US Uncoated FreeSheet Market

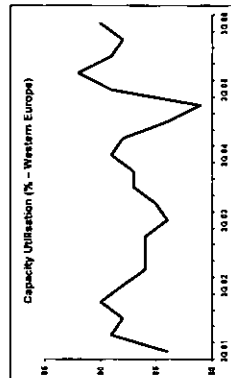
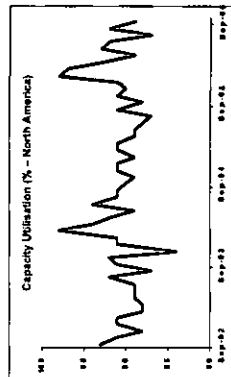
- AUG 06 up 21% vs. AUG 05
- YTD 06 up 9.8% vs. YTD 05



Source: RISI & Company Data

PaperlinX

## Uncoated Woodfree Paper continued



Source: RISI & Company Data

PaperlinX

## Paper Prices Summary

- There are a number of industry paper price rise announcements currently in the market in continental Europe which will be tested over coming months
- Should these be successful, they will not substantially benefit the first half of the Company's fiscal year
- Market conditions remain difficult for both our manufacturing and global merchandising businesses as previously indicated. We reiterate our view that it is too early to call a turn and have not changed our internal expectations
- There have been a number of capacity closures announced by European paper manufacturers over the past year. These are due to be completed during calendar 2007 and should ultimately result in improved capacity utilisation that will support a more robust pricing environment after that period
- The announced European industry structural changes should result in an improved supply/demand balance in that region in the medium term. This combined with the cost pressures continuing to impact global paper manufacturers should ultimately lead to improved paper prices in Europe as has been seen in North America

**PaperlinX**

## Major Business Initiatives to be reviewed

All initiatives remain on track	
INITIATIVE	STATUS
The Delivery Co (UK)	Initial sites operational, roll-out on-plan
Netherlands integration	Management appointed, packaging integrated, Driem integrated successfully
Cascades acquisition in Canada	Complete, 15% ROFE achieved, small divestments completed
European IT platform	1 <sup>st</sup> implementations successful (Ireland), on-track
Growth of own brands	17% YTD growth in European merchant brands
Expansion into complementary categories	Sign and Display / Industrial Packaging growth

**PaperlinX**

## Benefits from Strategic Initiatives

- Significant benefits to operating earnings from strategic initiatives highlighted during fiscal 2006
  - +\$35 million in 2007
  - +\$100 million in 2009
  - These initiatives on track for expected benefits
- Two new strategic initiatives announced in August 2006
  - PaperlinX Office
    - Complements Maryvale pulp upgrade
    - Includes redundancies and redundant asset write-offs
  - Maryvale woodyard outsourcing
    - Net \$12 million one-off costs from these in 2007 (mainly in first half)
    - Returns above target levels

PaperlinX

## Impact on Tax Rate

- The group tax rate is likely to be at the high end of expectations with a full year effective tax rate in the low to mid 30's a likely result
- The one-off restructuring cost of \$12 million relating to the new initiatives (Maryvale wood yard and PaperlinX Office) announced in August will largely be incurred in the first half and will result in a continuation of income tax losses in Australia which are currently not being booked
- This increases the effective tax rate, particularly in the first half

PaperlinX

## Summary

- We reiterate our previous statements:
  - difficult industry conditions continue
  - too early to call a turn
- There have been no changes to our internal expectations as above
- Market forecasts appear to include a more positive set of assumptions than our base case position
- It is not yet clear how the continental European pricing scenario will unfold but it is unlikely to benefit the first half to any meaningful amount
- Higher tax rate will be driven by changing geographic split of earnings and Australian tax losses
- European paper industry announcements should support the supply/demand balance in the medium to long term and support pricing, but will not impact in the short term
- Our key strategic initiatives all remain on track and in line with our expected benefits

PaperlinX

## Disclaimer

### Forward looking Statements:

Certain statements in this release relate to the future, including forward looking statements relating to PaperlinX's financial position and strategy. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of PaperlinX to be materially different from the future results, performance or achievements expressed or implied by such statements. Neither PaperlinX nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur and you are cautioned not to place undue reliance on such forward looking statements.

Subject to any continuing obligations under applicable law or any relevant listing rules of the ASX, PaperlinX disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements made in this presentation to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

PaperlinX





## **Welcome to PaperlinX Europe**

Eduard de Voogd  
Zutphen, the Netherlands  
27 November 2006

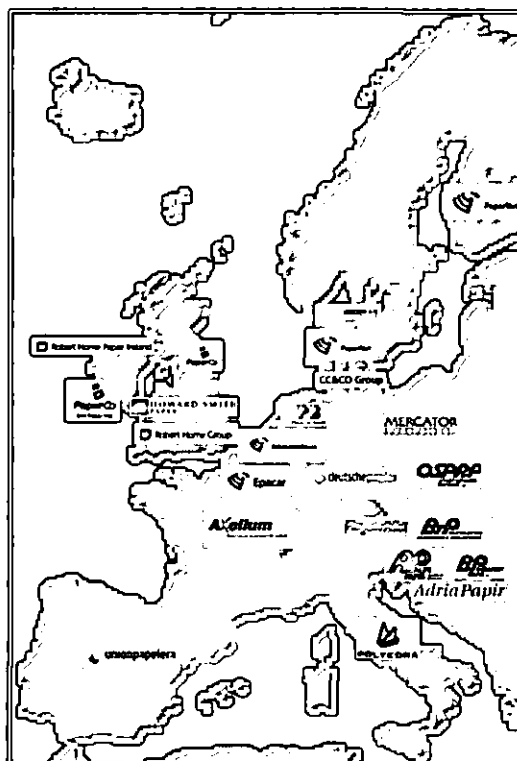
**PaperlinX**

## **Programme 27<sup>th</sup> November 2006**

10.30	PaperlinX Europe today	Eduard de Voogd
11.30	PaperlinX Benelux	Anne Schouten
12.30	Lunch	
13.30	BührmannUbbens	René Olsthoorn
14.00	Site visit	
16.00	Departure to Amsterdam	
18.30	Dinner at restaurant Reflet, Amsterdam	

**PaperlinX**

## PAPERLINX in Europe



## PaperlinX Europe's Operating Companies

**Austria**  
PaperNet

**Belgium**  
Epacar

**Croatia**  
Adria Papir

**Czech Republic**  
Ospap

**Denmark**  
Udesen Grafiskt  
CC&Co Group  
Papernet Cons

**Finland**  
PaperNet

**France**  
Axelium

**Germany**  
Deutsche Papier

**Hungary**  
Budapest Papir

**Ireland**  
Robert Horne Ireland  
OM Paper

**Italy**  
Polyedra

**Netherlands**  
BühmannUbbens  
Proost en Brandt

**Poland**  
Mercator Papier

**Slovakia**  
Bratislavská Papier

**Slovenia**  
Alpe Papir

**South Africa**  
Finwood Papers

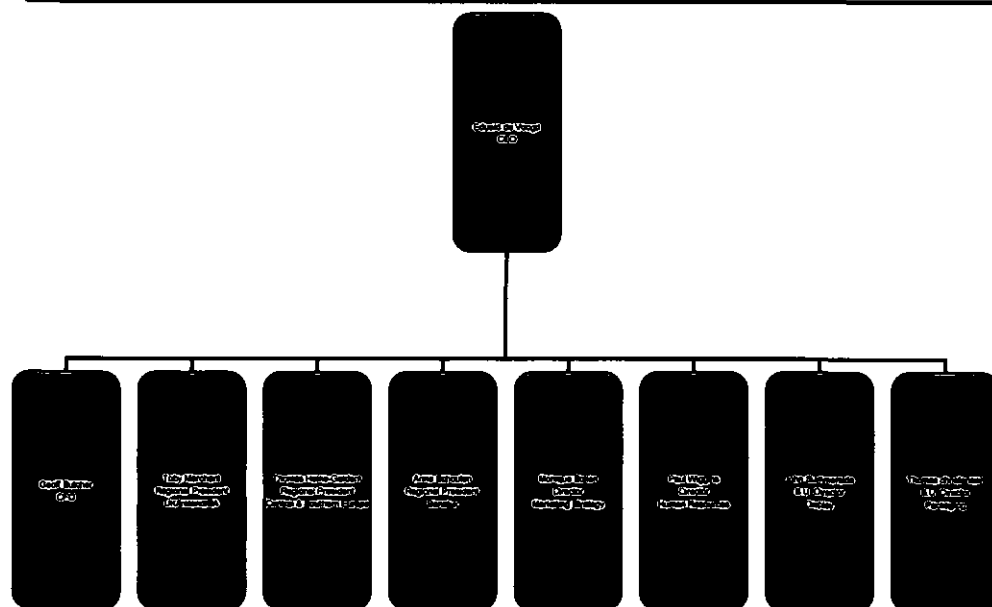
**Spain**  
Union Papelera

**UK**  
Robert Horne  
HSPG  
The Paper Company

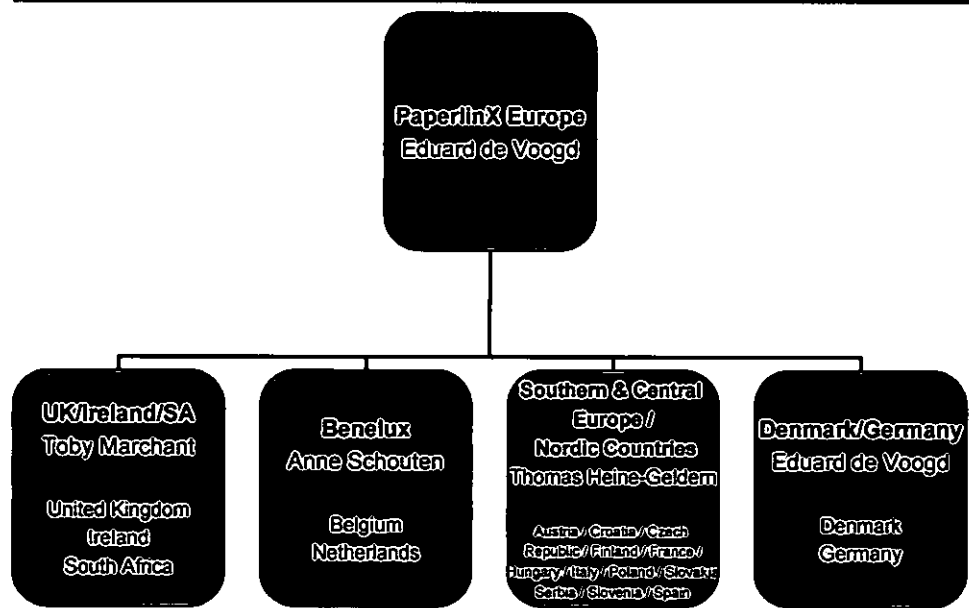
## Completed Projects past 18 months

- Acquisition and integration Hestbech Packaging Denmark
- Restructuring Irish OpCo's
- Implementation new ERP system in Ireland
- Divestment Portugal and Sweden
- Acquisition and Integration Antalis Denmark
- Integration DRiem Papier into Proost en Brandt
- Acquisition and integration Display company in Italy
- Start DeliveryCo
- Acquisition and integration First Class Packaging UK

## PaperlinX Organisation – Leadership Team



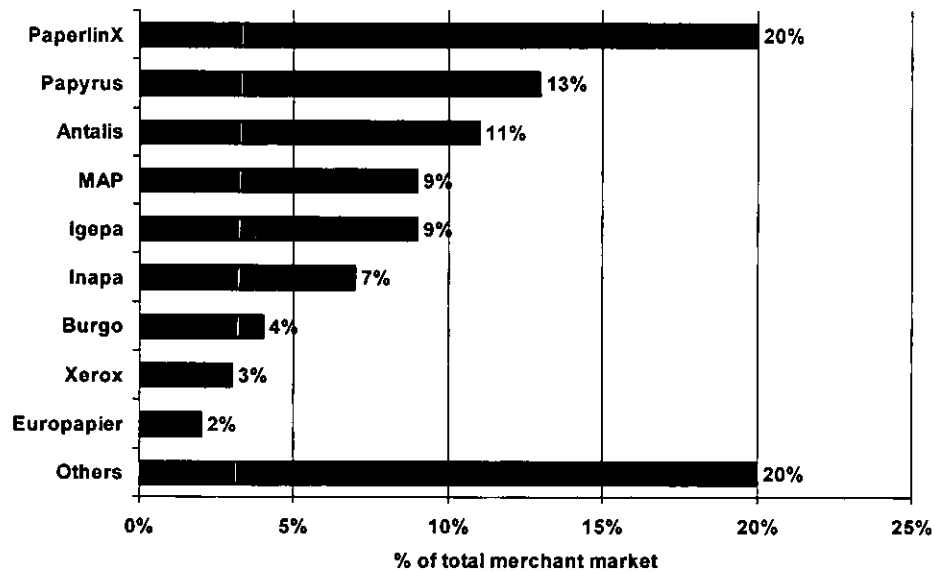
## PaperlinX Europe Structure



## Market Positioning

## Competitor market shares 2005

PaperlinX clear market leader overall

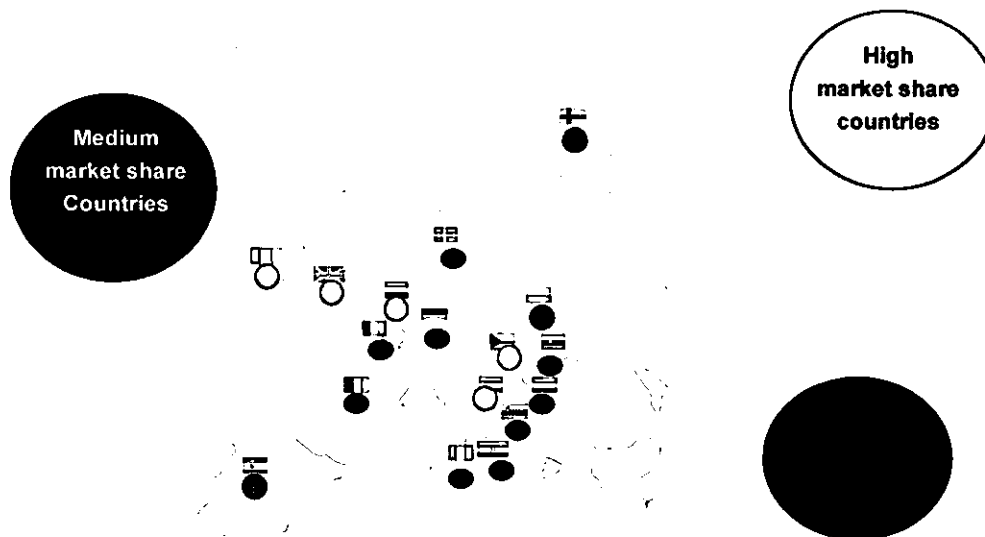


Source: PaperlinX estimates

**PaperlinX**

9

## Market leading position in Europe

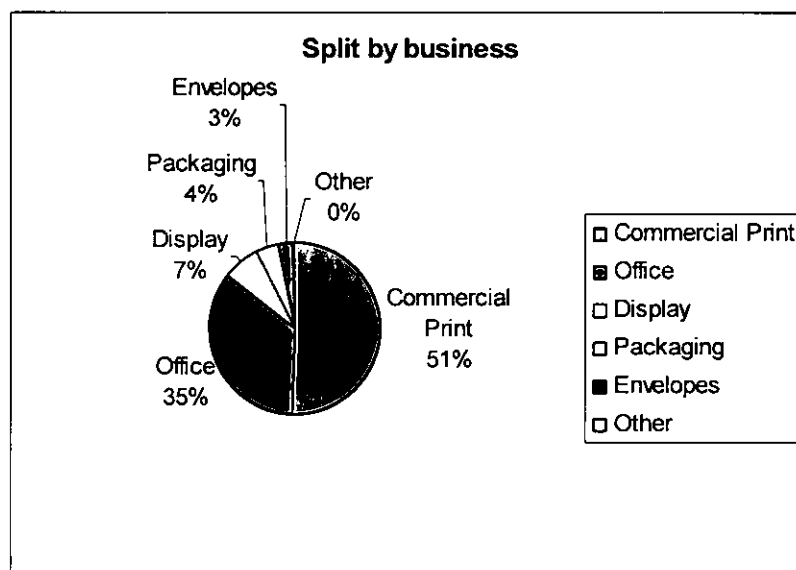


Source: PaperlinX

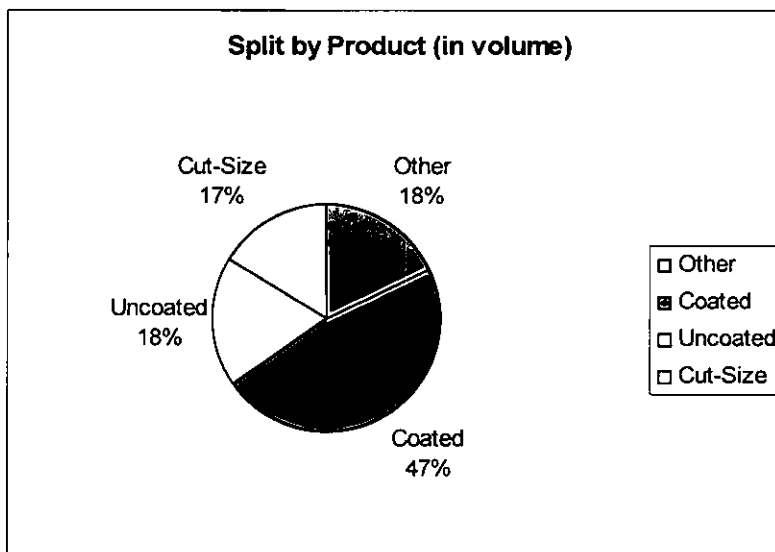
**PaperlinX**

10

## Business Segmentation



## Product Segmentation



## Projects PaperlinX Europe

- Multi Operating Company Countries
  - UK
  - Netherlands
  - Ireland
- European IT System
- E-commerce
- Logistics
- Branding
- Sales training

## Industry Conditions - WFC

Industry volume growth has been good

- |  |   |     |
|--|---|-----|
| • Western Europe shipments September YTD | + | 1%  |
| • Other Europe shipments September YTD   | + | 8%  |
| • Overseas shipments September YTD       | + | 16% |
| • Total shipments September YTD          | + | 4%  |

Source: Industry

In the first 9 months of this year overall demand has been good, particularly so in Germany, Italy and Eastern Europe. The UK, France and Spain continue to be disappointing.

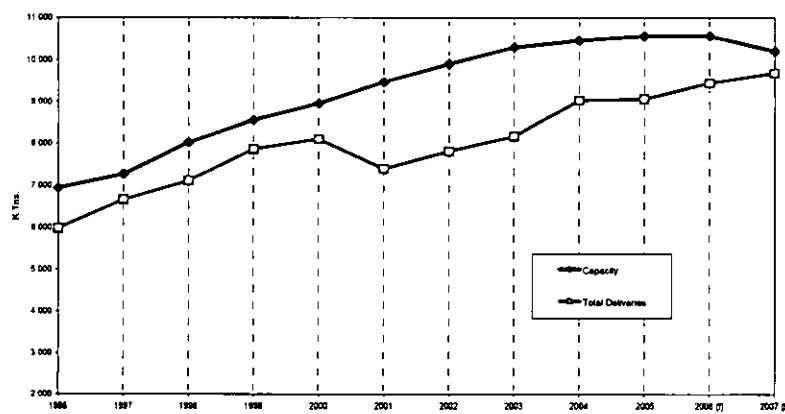
CEPIFINE DELIVERIES STATISTICS 0					
Coated WoodFree Total					
Summary					
Accumulated			through September 2006		
From CEPIFINE	Deliveries		Change		
No.	2006 Summ 1 - 9	2005 Summ 1 - 9	2006 : 2005 Summ 1 - 9	2006 : 2005 %	
Austria	112 284	108 090	4 204	4%	
Belgium/Luxembourg	204 745	201 205	3 540	2%	
Denmark	74 223	77 149	-2 926	-4%	
Finland	46 970	55 616	-8 646	-15%	
France	856 478	666 094	190 384	29%	
Germany	1 214 078	1 177 088	36 990	3%	
Greece	946 113	967 506	-21 393	-2%	
Great Britain	96 961	70 220	26 741	38%	
Ireland	31 521	31 554	-33	0%	
Italy	735 221	706 845	28 376	4%	
Netherlands	173 295	174 836	-1 541	-1%	
Norway	33 894	34 434	-540	-2%	
Portugal	54 979	59 317	-4 338	-7%	
Spain	563 261	499 031	64 230	13%	
Sweden	95 150	94 140	1 010	1%	
Switzerland	106 968	106 808	160	0%	
West Europe	5 095 143	5 036 233	58 910	1%	
Other Europe	585 595	541 193	44 402	8%	
Europe, total	5 680 738	5 577 426	103 312	2%	
Other East	154 977	154 452	525	0%	
Far East	180 617	191 011	-10 394	-5%	
Africa	140 277	116 914	23 363	20%	
North America	599 313	501 120	98 193	20%	
Latin America	343 231	302 293	40 938	14%	
Oceania	72 857	84 407	-11 550	-14%	
Overseas	1 333 250	1 146 419	186 831	16%	
TOTAL	7 013 988	6 723 845	290 143	4%	

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## Scenario

OWF 2/5 WE: CAPACITY AND DELIVERIES



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 (p)	2007 (p)
Ratio Op (%)	88	84	83	85	83	84	86	82	89	82	80	78	78	79	86	86	89	95
WE	76	73	71	71	76	88	71	74	72	74	73	64	62	60	64	64	65	68
Rest	12	11	11	14	17	16	15	18	17	18	17	14	17	19	23	22	25	27
Over capacity (Ktons)	485	745	903	861	417	1 545	950	588	907	691	857	2 062	2 082	2 128	1 426	1 493	1 126	520

Source: Industry

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*With a capacity decline of 535 000 tons (net of capacity additions), supply / demand balance is set to improve. This net reduction amounts to 6,2% of "official" capacity as reported to Cepifine. Outside Europe, April will start in a few weeks commercial production in a new PM.*



000 tons	Minus	Plus	Net
Western Europe	-650	115	-535
<u>Eastern Europe</u>	<u>-100</u>	<u>100</u>	<u>0</u>
Total	-750	215	-535

*European paper prices have been increasing during 2006, but only recovering the levels of Jan/2005, while the US prices are now 120 EUR/ton higher than Jan/2005. Due to more favourable environment in Europe, UBS forecasts a price increase of 5.4% for 2007 and Deutsche Bank forecasts 5%.*



## Conclusion

- WFU
  - Demand – Supply balanced
  - Swing capacity WFC
- WFC
  - Balance depending on exports
- European GNP starting to grow?
- Decline in Specialties
- Shift printed artwork to low labor cost countries
- Industry low returns
- Consolidation will continue

## **The Benelux Cooperation**

### **Profit improvement strategy Project Mercure**

27 November 2006

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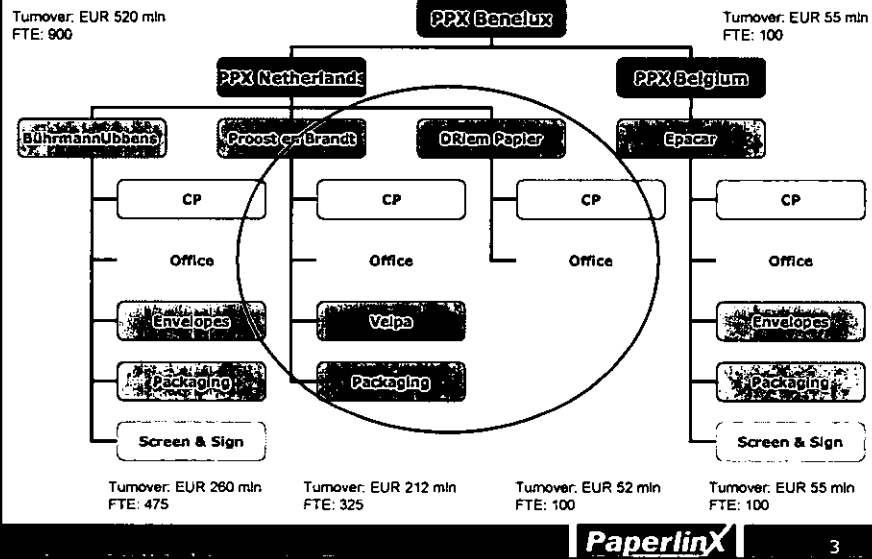
## **Content**

1. PaperlinX companies in the Benelux
2. Relevant markets
3. Economic conditions
4. Paper consumption
5. Market developments
6. Way to go
7. Strategy, goals and guiding principles
8. Profit improvement strategy Mercure
9. Top line growth

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2

## Activities – PPX Benelux



## Relevant markets The Netherlands

Market	size	growth
• Commercial Print	820,000 t	0
• Office Papers	200,000 t	+
• Screen & Sign	€ 100 mio	+
• Packaging	€ 350 mio	0
• Envelopes	€ 200 mio	-

Biggest player in the market

## Relevant markets Belgium/Luxembourg

Market	size	growth
• Commercial Print	317,000 t	0
• Office Papers	110,000 t	+
• Screen & Sign	€ 50 mio	+
• Packaging	€ 400 mio	0
• Envelopes	€ 125 mio	-

Fourth player in the market

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## Economic conditions

Tough economic conditions

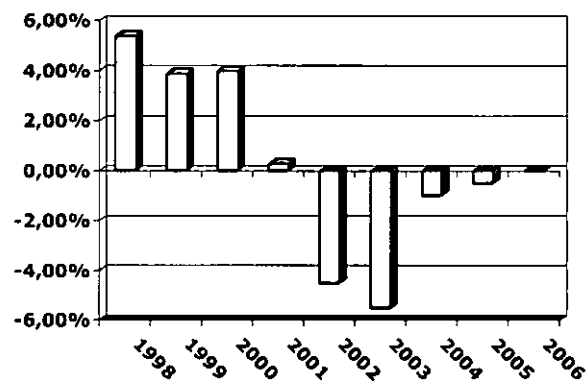
- Small economic growth
- Low level consumption, growth in export

%	2002	2003	2004	2005	2006
GDP	0.1	-0.1	1.7	0.5	2.5
Export	2.0	3.2	9.4	4.0	7.0
Consumer consumption	0.9	-0.7	0.0	-0.8	-2.3

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## Paper consumption



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## Market developments

- Growth GDP and growth paper volume no longer in line
- Overcapacity in almost all segments we operate in
- Consolidation of customers, mills and competitors
- Increased bargaining power of customers and mills
- Trend to bulk and downgrading
- Prices and margins under pressure

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## Way to go

Continuity and profits  
will not come from volume + margin growth



It is all about costs



Efficiency



Scale

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## Strategy, goals & guiding principles

### Strategy

- To structurally enhance the strength of our Dutch activities we need to leverage our total scale, delete unnecessary duplications and increase cooperation



Ensure long term sustainable returns

### Goals

- Maintain market share
- Costs 10% lower
- Working capital 5-10% lower

### Guiding principles

- Front office
  - Differentiate where necessary
  - Integrate where possible
- Back office
  - Integrate "unless"

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## Overview profit improvement strategy Mercure 13 projects

1. Go-to-market strategy Proost en Brandt and BührmannUbbens
  - Commercial Print
  - Office Papers
2. Integration
  - DRiem into Proost en Brandt
  - Proost en Brandt Packaging into BührmannUbbens
  - Back offices
3. Optimisation
  - Assortment/inventory/working capital
  - Production of envelopes
  - Printing of envelopes
  - Distribution
  - Location
4. Best practise/cooperation
  - Benchmarking
  - Purchasing
5. One ICT platform

## Go-to-market Proost en Brandt and BührmannUbbens

### Commercial Print

- Define value proposition



Differentiation vs. overlap

### Office Papers

- Redesign value proposition for endusers and resellers
- Develop strategy for office supplies distributors
- Redesign organisation



New business model



## Integration

### **DRiem into Proost en Brandt**

- Finished October 2006

### **Proost en Brandt Packaging into BühmannUbbens**

- Finished June 2006



Complementary and rationalised product ranges

Scale benefits

Costs down

## Optimisation - 1

### **Assortment/inventory/working capital**

- Dutch product range open to Epacar
- Rationalisation product ranges
- Inventories down



Working capital down

### **Production of envelopes**

- Efficiency
- Intercompany sales (e.g. Belgium)

## Optimisation - 2

### Printing of envelopes

- Cooperation Velpa and BührmannUbbens

### Distribution

- Combined warehousing and transportation
- Cross border deliveries

### Locations

- Combined operations
- Locations redundant

## Best practice

- Benchmarking of key performance indicators
- Coordination of purchasing



Costs down  
Margins up

## One ICT platform

- ASW in the future
- ICT connection in the meantime (Epacar Belgium is already connected)



ICT is a condition for most back office projects

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## Top line growth

### Commercial Print

- Value proposition and customer segmentation
- CRM

### Office Paper

- New business model

### Packaging

- Extended product range
- From product to process ELP
- Catalogue sales Packaging Pro

**ELP** system.



**PackagingPro**

### Envelopes

- Intercompany sales

### Display

- > 10% market growth

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Projects are:

In time  
On budget

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**BührmannUbbens**

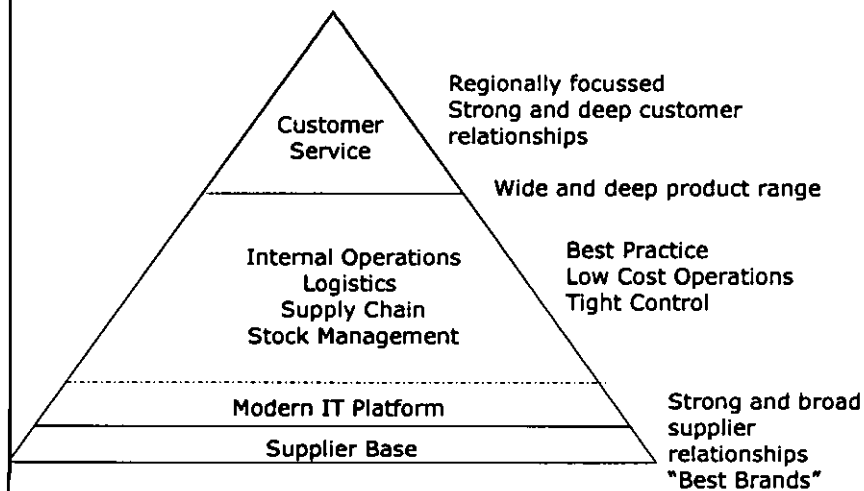
**A PaperlinX company in The Netherlands**

**PaperlinX**

## Content

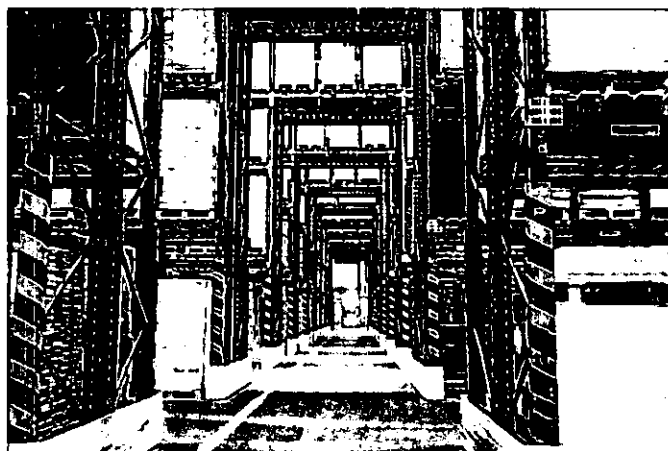
- PaperlinX merchants business model
- BührmannUbbens key figures
- The customers of the business units
- The business units
- Commercial strengths
- Operations
- Logistical strengths
- Vision on the future

## PaperlinX merchants business model



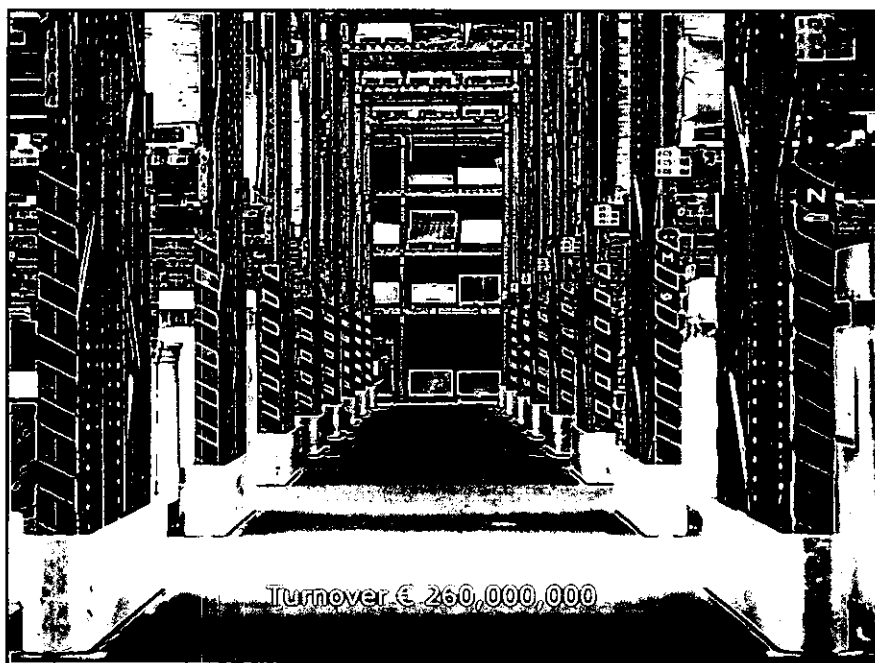


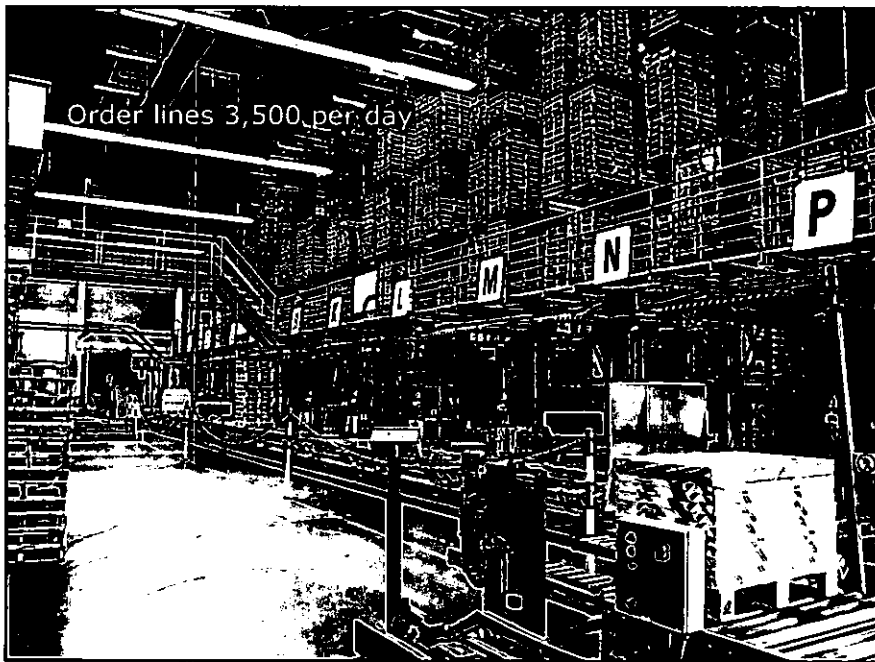
### From old to new



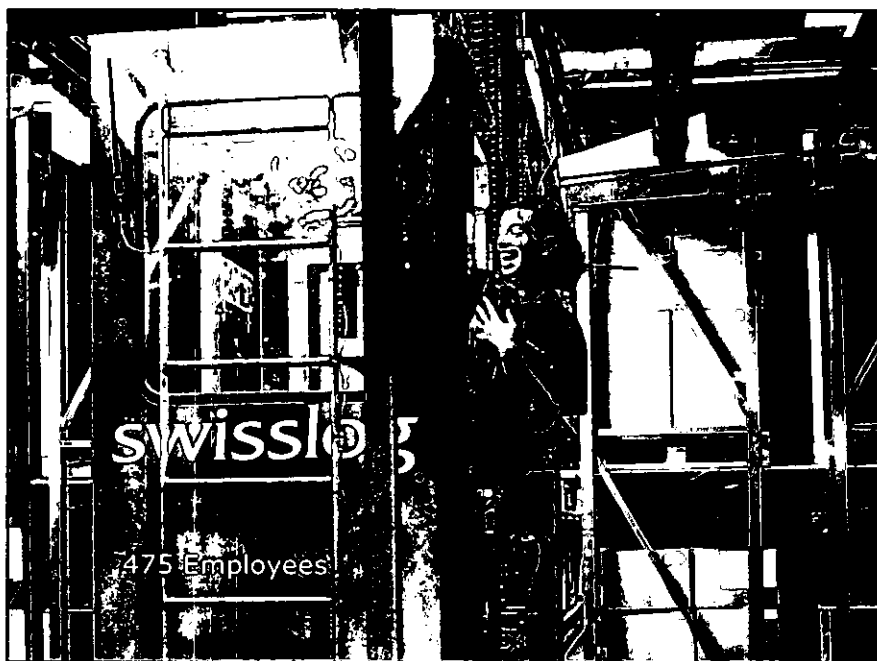
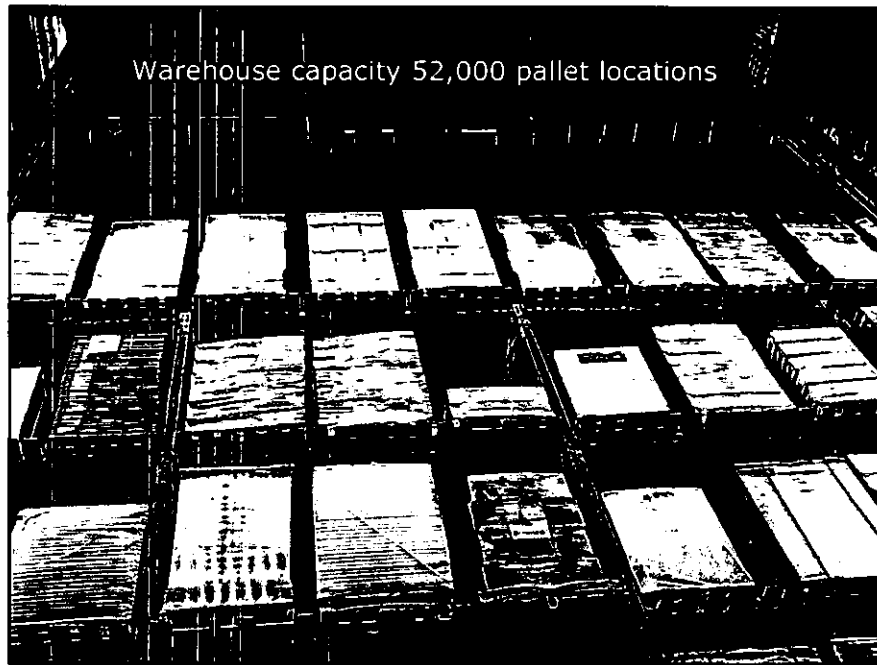
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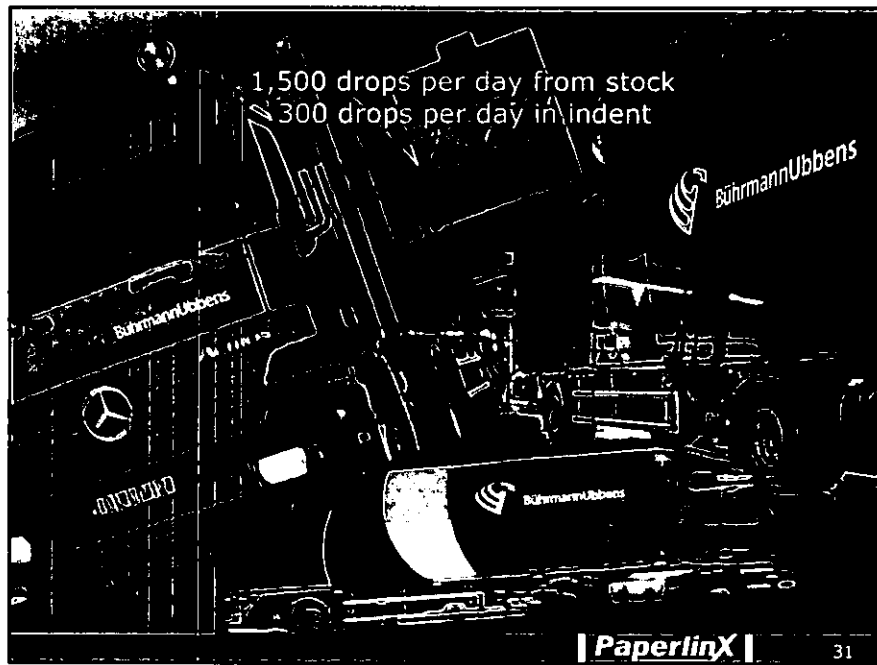
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### The customers of the business units

In most markets

- Overcapacity
- Concentration
- Cost and buying focus

Customers want

- Buying efficiency
  - One stop shopping
  - Less suppliers
  - Simplicity
- Technical support
- Logistical service and high delivery quality



BührmannUbbens must be the easiest to do business with

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## BührmannUbbens organisation

### 5 business units

- Commercial units in specific segments
- P&L responsible

### 7 central services

- Purchase
- Logistics
- HRM
- Finance
- Innovation & ICT
- Marketing
- Quality assurance, occupational health & environmental affairs

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## Business unit Commercial Print

Sales value	€ 135 million
Sales volume	stock 45,000 tonnes indent 80,000 tonnes
Employees	70
2,500 Customers	Printers (sheets, reels, labels, packaging) Publishers and Bookbinders
Product assortment	Any type of paper being used by printers Envelopes Packaging material
Organisation	4 Regional Offices (Amsterdam, Eindhoven, Utrecht, Zutphen) and National Account Group

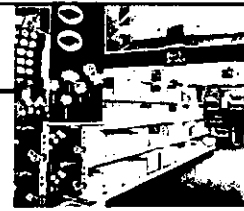


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## Business unit Office Papers

Sales value	€ 35 million
Sales volume	35,000 tonnes
Employees	30
2,000 Customers	Office Suppliers and Contract Stationers
	End Users (government, banks, insurance companies, etc.)
	Professional users
	Retail
Product assortment	Office papers
	Professional printing papers
	Consumer products
	Envelopes
	Packaging material

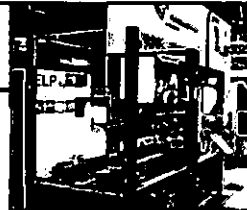
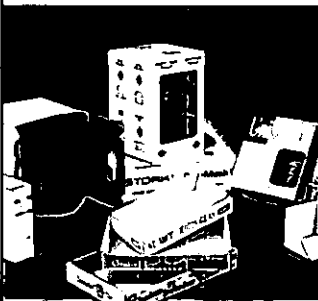


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## Business unit Packaging

Sales value	€ 50 million
Sales volume	29,000 tonnes
Employees	58
4,000 Customers	Medium Sized Industrial Companies
	Logistic Service Providers
	Packaging resellers
Product assortment	ELP: Machines and Packaging material
	Packaging paper
	Corrugated boxes
	Plastics
	Filling material
	Pallet stabilisation



**PaperlinX**

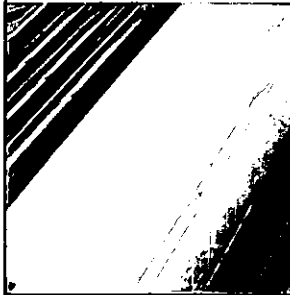
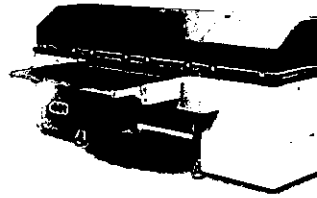
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## Business unit Screen & Sign

Sales value € 20 million  
 Sales volume 3,000 tonnes  
 Employees 30  
 2,500 Customers

### Product assortment

Sign makers  
 Digital printers  
 Full-service bureaus  
 One stop shop:  
 Systems (digital printers), Media, Inks,  
 Technical Support  
 Media: Self Adhesive Material, Plastics,  
 Paper, Board



**PaperlinX**

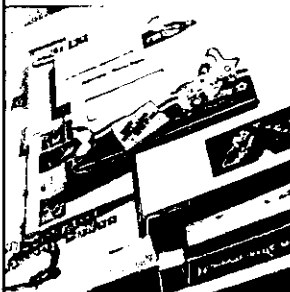
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## Business unit Envelopes

Sales value € 20 million  
 Number of envelopes ca. 700 million  
 Employees 100  
 Customers

### Product assortment

Paper merchants and mills,  
 Graphic industry, End Users, Retail,  
 Insurance companies, Banks,  
 Government  
 All kinds of envelopes, focus on smaller  
 production runs (flexibility)  
 Pre-printed envelopes



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## Commercial strengths

- Good people
- Reliability
- Quality and service
- Strong brands – our brands
- Widest and deepest product range
- Long term relationships



Know how

**PaperlinX**

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## Customers want excellent logistics

- Short lead times
- Small orders – big orders
- Conversion (tailor made, press ready)
- Night distribution
- Courier deliveries
- Ordered = delivered
- No mistakes
- No credit invoices



Say what you do  
Do what you say

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## Logistics – key figures

- 50 Dedicated distribution trucks

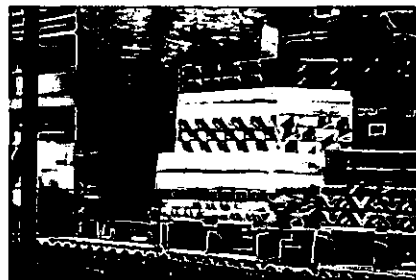


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## Logistics – key figures

- 50 Dedicated distribution trucks
- 400 Tonnes per day (50 tonnes conversion)

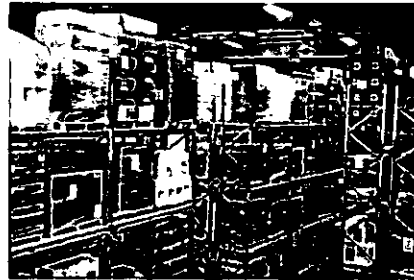


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### Logistics – key figures

- 50 Dedicated distribution trucks
- 400 Tonnes per day (50 tonnes conversion)
- Ordered before 5.30pm, delivered tomorrow



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### Logistics – key figures

- 50 Dedicated distribution trucks
- 400 Tonnes per day (50 tonnes conversion)
- Ordered before 5.30pm, delivered tomorrow
- To loading dock and 3rd floor office



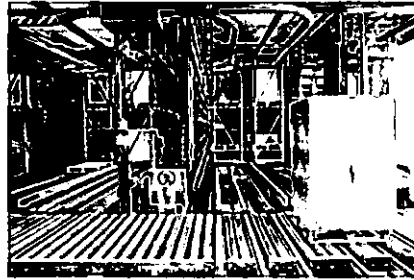
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### Logistics – key figures

- 50 Dedicated distribution trucks
- 400 Tonnes per day (50 tonnes conversion)
- Ordered before 5.30pm, delivered tomorrow
- To loading dock and 3rd floor office
- Night distribution



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### Logistics – key figures

- 50 Dedicated distribution trucks
- 400 Tonnes per day (50 tonnes conversion)
- Ordered before 5.30pm, delivered tomorrow
- To loading dock and 3rd floor office
- Night distribution
- Courier service

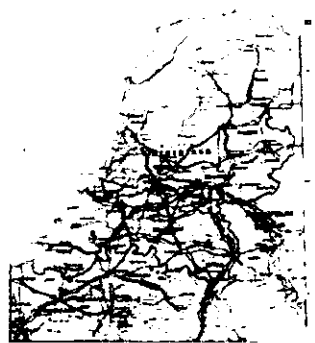


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### Logistics – key figures

- 50 Dedicated distribution trucks
- 400 Tonnes per day (50 tonnes conversion)
- Ordered before 5.30pm, delivered tomorrow
- To loading dock and 3rd floor office
- Night distribution
- Courier service
- 1,500 Drops per day



PaperlinX

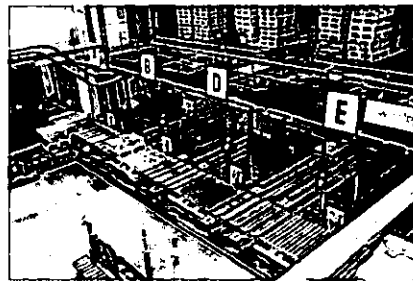
47

### Logistics – key figures

- 50 Dedicated distribution trucks
- 400 Tonnes per day (50 tonnes conversion)
- Ordered before 5.30pm, delivered tomorrow
- To loading dock and 3rd floor office
- Night distribution
- Courier service
- 1,500 Drops per day



3,500 order lines per day



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## Logistical strengths

- First time right
- Widest and deepest stocks
- Customer specific deliveries
- Predictability (fixed routes)



Large scale  
High service

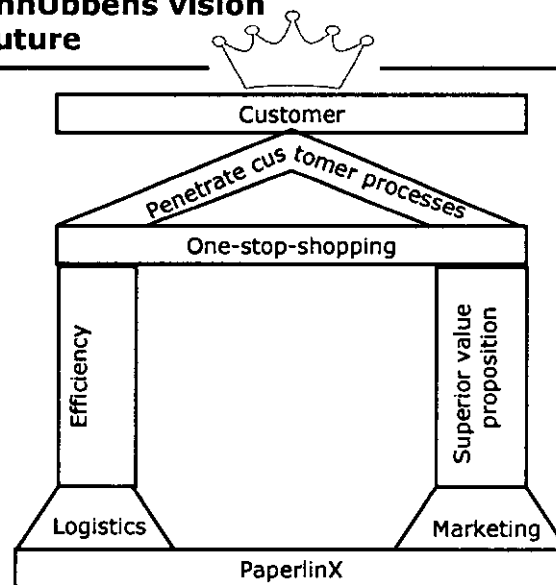


99,7% delivery reliability

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## BührmannUbbens vision on the future



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# WELCOME !

## November 28<sup>th</sup>, 2006

### AGENDA

- |                               |                  |
|-------------------------------|------------------|
| ▪ PaperlinX UK & Ireland      | Toby Marchant    |
| ▪ The Delivery Co             | John Ball        |
| ▪ Lunch                       |                  |
| ▪ Robert Horne Group          | Dave Allen       |
| ▪ Howard Smith Paper Group    | Malcolm Lane-Ley |
| ▪ Hotel : Hilton, Northampton |                  |
| ▪ Dinner : Red Lion, Brafield |                  |

## PaperlinX UK & Ireland

- Who are we?
- Leveraging our Scale
- The Market

## 1. Who are we?

- > AUD 2 billion
- > 2300 people
- The biggest player – By far!
- Part of the only truly international Paper Merchant

## But what does that mean?

We have the best team of people

+

The greatest scale to leverage

=

The leading agenda for growth & change

↓

The strongest market offering

≡

We out-perform the market

- We achieve this through 3 different Operating Companies in the UK and 2 in Ireland

- This structure allows us to:

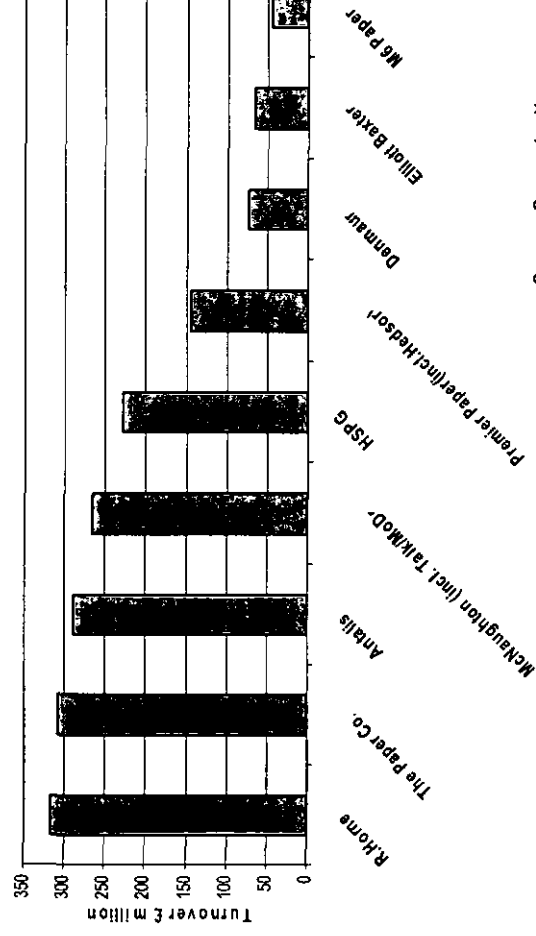
- Maximise the appeal to our customers
- Support our Strategic Suppliers
- Grow our market share
- And leverage our scale

## The Operating Companies

UK : The Paper Co (incorporating M6 since 07.06)  
 Robert Horne Group  
 Howard Smith Paper Group

Ireland : DM Paper  
 Robert Horne Group

## Major UK Merchants 2005



Source: Companies House

PaperlinX Europe

PaperlinX Europe



## Differentiation

*understanding the value proposition*

### The Paper Company

A "local" entrepreneurial group of companies, close to their customers, who are drawn from across the Commercial Print sector, in which they are the market leader. They offer a wide, but standard, range with a bias towards mill brands, backed by a standard setting same day delivery service.

**KEY WORD:** Local  
"The baseball cap"

## Differentiation

*understanding the value proposition*

### Robert Horne Group

The biggest Brand in the industry. Close to larger customers, aloof from smaller. Strong merchant own labels, with 74% either MOLs or exclusive brands in Commercial Print which has enabled leadership in the specifier and corporate sectors. Also market leader in Business Papers and Sign & Display sectors. Reliable next day service backed by excellent technical / aftersales service. Strong environmental position

**KEY WORD:** Professional  
"The bowler hat"












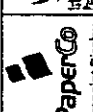







## Differentiation

*understanding the value proposition*

### Howard Smith Paper Group

The lowest cost operator in the market, serving the large commercial printer with a focussed range of Commodity volume biased, mainly MOL brands. Additionally, a Group of specialist companies in the Publishing, HSWO, Forms and Business Paper markets, and the market leader in the first two.

**KEY WORD:** Low cost  
"The hard hat"

 Donald Murray Paper	 North West Paper	 Mason's Paper	 The Robert Home Paper Co.	 HOWARD SM PAPER
 Robbers & Breerton	 Southern Paper	 Dixon & Roe	 Robert Home Sign & Display	 CONTRA PAPER
 Reel Paper	 Europoint Display	 Hill Cross Paper	 Robert Home Business Papers	 SAVOR PAPER
			 Precision Publishing Papers	 TRADE PAPER
			 MOL	 PAPER

## Winning in the Right Way

- With such a significant market share we have to manage the areas of overlap with great care
- Clear customer segmentation and differentiated Value Propositions help, but there is still an overlap, and failure to manage it reduces both value and morale
- We manage this in the UK by “Winning in the Right Way”
- This is a communication and commitment process that ensures we compete on the basis of the differentiated value propositions and not simply the lowest price

## 2. Leveraging our Scale

PaperlinX UK Guiding Principle:

Standardise, where possible, differentiate where necessary

In the UK there is a significant opportunity for leveraging our scale, by consolidation and co-ordination that **WILL NOT** affect our differentiated value propositions.

## Leveraging our Scale

- Our People
  - Unrivalled scope and opportunity
  - Unrivalled training and development
  - Unrivalled quality and depth of resource

## Leveraging our Scale

- Our Customers
  - Value creation for mutual benefit (Strategic Value Selling Programme)
  - Lowest cost to serve
  - Unrivalled choice

## Leveraging our Scale

- Our Suppliers
  - We are our Suppliers' largest customer
  - Our Global Strategic Supplier initiative leverages that strength
  - Our local relationships mean we tend to have 'first bite'

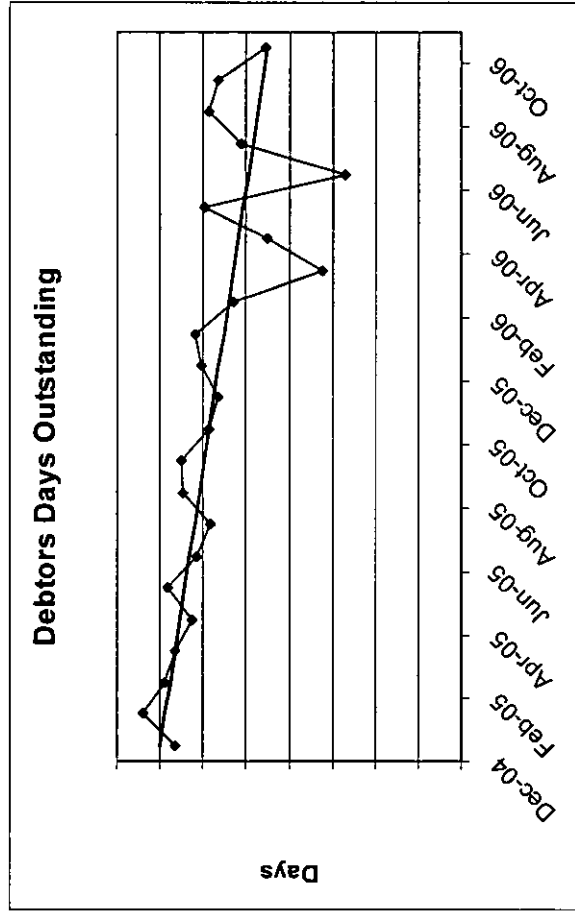
## Leveraging our Scale

- Our Operations
  - Global customers
  - Working Capital

## Working Capital Management

- Approximately £150m – our largest asset
- Effective management of Working Capital is consistent with our Core Operating Principles
  - > *Productivity to provide funds to improve sustainability and growth*
  - > *Fully leverage our global opportunities*
  - > *Results oriented teamwork / success as a team*
- A key driver of improved Economic Profit

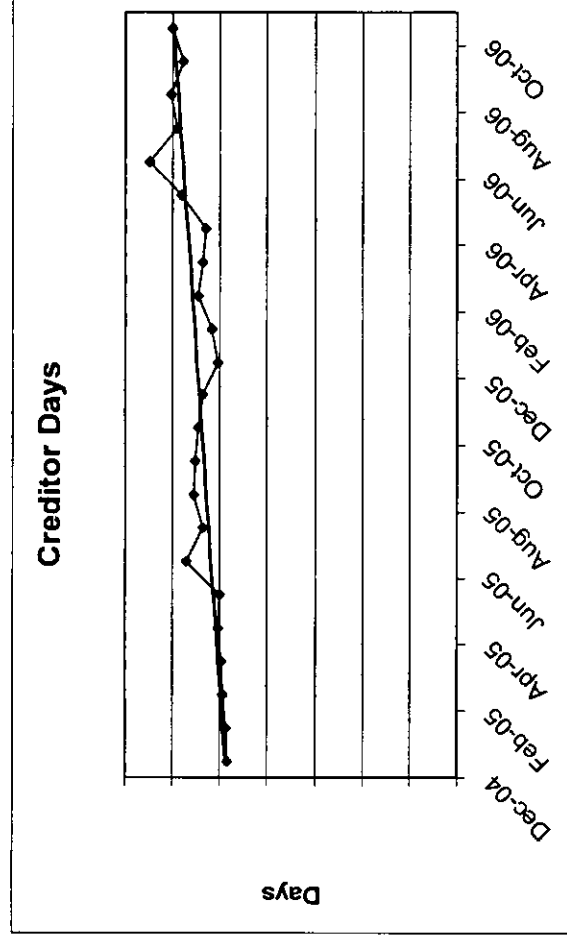
## Debtors





**Creditors**

**Creditor Days**



## Leveraging our Scale

- Our Operations
  - Global customers
  - Working Capital
  - IT / e-commerce
  - Logistics – The Delivery Co

### 3. The Market

- 2006 has been a tough year !
- Pressure on Volume, Price and Margin
- Increased incidents of Bad Debt
- Pressure on Overheads, Fuel / Energy in particular

### However ...

- A slight upturn in the second half
- Consolidation continues to pressurise margins (PFM, Print Groups, Corporate Procurement)
- But we are well positioned to compensate with volume gains

### Demand Forecast



### Supply Forecast

- At last, some positive momentum in European overcapacity management
- Uncoated prices moving up
- Positive signs in Coated, but still some risk
- Sittingbourne's H1 closure significant

### Mill Closures in Western Europe

2005	280 kt
2006	1441 kt
2007 (so far)	720 kt
	<u>2441 kt</u>

### Share of W.E Capacity Closing

Coated Mechanical	6.9%
Coated Woodfree	7.1%
Uncoated Woodfree	8.2%

## November 2005 – Joint Announcement

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- Consolidate logistics activities of the 4 PPX UK Merchants
- New jointly owned and dedicated logistics organisation
- Many issue still to be resolved
- Early announcement to enable wider involvement and engagement

The Delivery Company

28th November 2006

John Ball  
Director

The Delivery Company

PaperlinX

PaperlinX

## January 2005 - Project Discovery

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### Feasibility study to look for benefits from common ownership

- Organisation / Operational efficiencies without adverse strategic consequences
- Guiding principle 4 successful businesses at start and finish
- Cooperation in logistics identified as greatest potential benefit

### Unique opportunity through PaperlinX common ownership

- To develop an integrated and sustainable logistics structure
- To deliver significant commercial and environmental benefits
- To continue to support the individual needs of the separate operating companies

## UK Logistics Overview

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### Combined Annual Logistics Activity

- Deliver more than 500,000 tonnes
- Complete more than 1.25 million deliveries
- Travel more than 25 million kilometres
- Represents 50% of the total cost base

### Combined Logistics Resources

- Employ more than 1000 people
- Run a fleet of nearly 500 vans
- Based at more than 50 operational sites
- Occupy more than 1.5 million sq ft of warehouse space

## Conclusions

- High levels of activity and customer service have led to significant investment in separate and individual logistics infrastructures
- Independent development of the logistics networks has inevitably created duplication and under-utilisation of resources

## The Compelling Vision

Project Discovery Steering Group June 2005	PaperlinX Executive Board Meeting September 2006
<ul style="list-style-type: none"><li>• Generate savings to re-invest into the organisation and drive growth</li><li>• Improve overall service offering across all op-co's</li><li>• Leverage a winning supply chain market strategy into the market</li><li>• Increase emphasis and focus on key functional areas</li></ul>	<ul style="list-style-type: none"><li>• Need to deliver on current initiative and reduce costs ... to provide fund to invest in ... growth opportunities</li><li>• Logistics as a Competitive Advantage</li><li>• Leveraging our full supply chain and service offering</li><li>• To create superior customer service and differentiate our business</li></ul>

## Develop the Compelling Vision

### Generate savings to re-invest into the organisation and drive growth

- Reduce net costs for logistics to provide fuel for growth and re-investment
- Provide visibility into cost and service decisions

### Improve overall service offering across all op-co's

- Increase absolute vehicle availability for the individual op-co
- Introduce technology; Vehicle routing, order tracking, electronic POD etc

### Leverage a winning supply chain market strategy into the market

- Leverage scale across the entire group
- Position organisation to identify supply chain synergies up stream

### Increase emphasis and focus on key functional areas

- Increase marketing and sales focus of op-co's
- Improve logistics skills and drive operational excellence across the group

...because we can not because we need to...

## 3 into 1 Operational Modelling

• Number of Vans	-22%	• Kms / Van	-4%
• Total Man Hours	-16%	• Kgs / Van	+28%
• Kms Travelled	-26%	• Deliveries / Van	+29%
• CO2 Emissions	-26%	• Deliveries < 10:00	=
• Hours / Shift	+8%	• Deliveries < 12:00	-4%

## Operational Issues

### People

- Organisation & Culture
- Terms & Conditions
- Communications & Engagement

### Service Levels

- Maintain Service Differential
- Quantified and Measured
- Support Growth & Development

### Warehouse facilities

- Operational Model
- Local Stock v Cross Docking
- Size, Location and Leases

### IT Systems

- 3 Different ERP Systems
- Consolidated WMS Solution
- CVR and Mobile Data

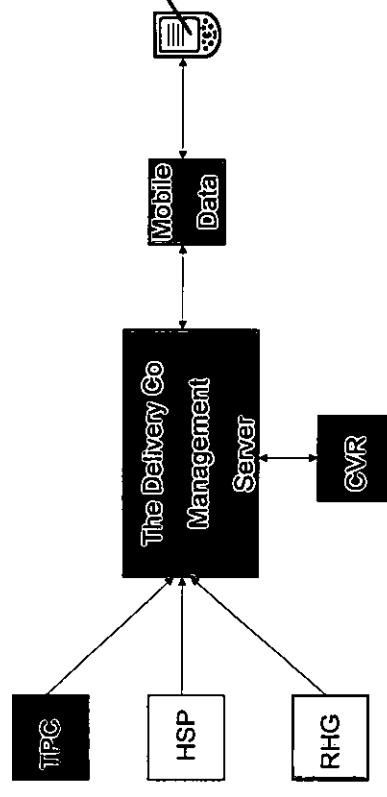
### Van Fleet

- Size and Specification
- Livery & Leases
- Operator's Licence

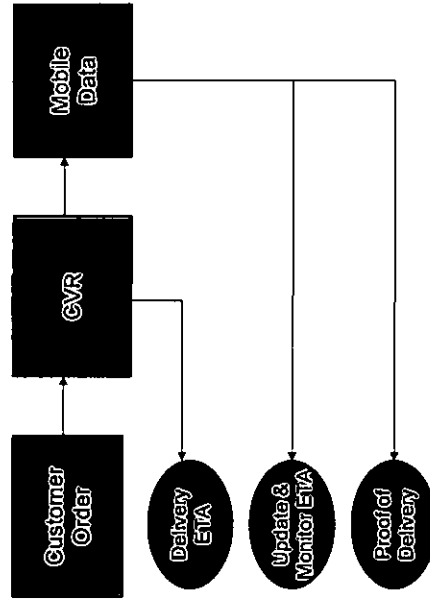
### Other

- Data Collection & Consolidation
- Cost Allocation Basis & Mechanism
- Neutral & Even-handed

## IT Solution and Infrastructure



## Order Tracking



## Transition Costs

- People**
- Rationalisation and Retention
  - T&C Harmonisation
  - Project Team & Management
- Property**
- Exit / Relocation Costs
  - Lease Capitalisation
- Operations**
- Layout & Relocation
  - H&S Issues and Aspects
  - Fleet Rationalisation
- IT Systems**
- Management Server
  - ERP Interfaces
  - CVR & Mobile Data

## The Benefits

1. **To the four operating companies**
  - A reduction in operational costs
  - The generation of funds for re-investment
  - An offset to steeply rising energy costs
  - No loss of competitive advantage
2. **To our people**
  - To work for, or with, the largest operation in the UK
  - To learn new skills and broaden experience
  - To benefit from the re-investment of the savings
3. **To our customers**
  - A consolidated and more efficient delivery service
  - Real time order tracking and on-line PODs
  - No reduction in choice
4. **To the environment**
  - Reduced energy consumption
  - Reduced CO2 emissions
  - Reduced congestion and wear and tear on the infrastructure

**PaperlinX**

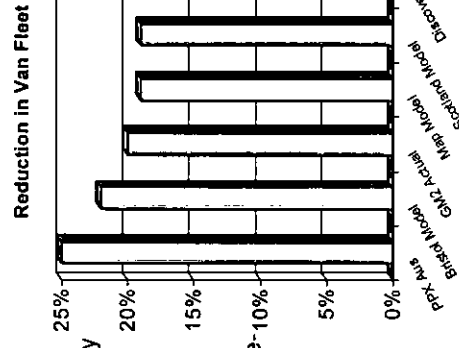
## Project Risks and Opportunities

### Timetable Risks

- IT development timescale – mitigated by pilot development
- IR & TU consultation process – mitigated by non-prescriptive approach
- Property bottle-necks – mitigated by flexibility to respond to opportunities – Lewes / Newcastle / Birmingham
- Resources for parallel implementations – re-10% assess post initial implementation

### Mitigation Opportunities

- Compressed timescale for quick-win opportunities – HSP / RHG
- Sale of free-hold properties – Glasgow / Manchester / Leeds
- Vehicle re-livery through restructured lease
- Feasibility of higher savings - > 15%?



**PaperlinX**



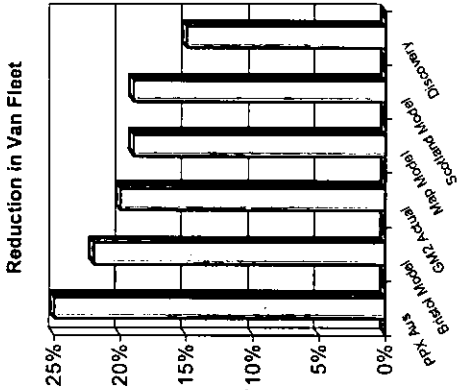
## Project Risks and Opportunities

### Timetable Risks

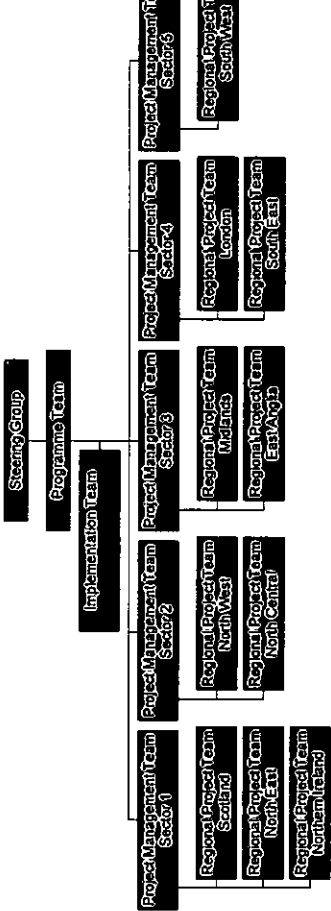
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## Project Team Structure



Project Team Roles and Responsibilities

Management Team

- Provide commercial perspective/insight to operational plans
- Review output from the Regional Project Team
- Approve the operational solution
- Agree communication plan for sales teams and customers

Regional Project Team

- Collect and map data
- Identify operational options
- Select and recommend preferred operational solution
- Develop implementation plan

Generic Regional Project Plan

ID	Stage	Phase	WK:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
S-0	Strategic																										
S-1		Data Mapping	2																								
S-2		Identify Options	2																								
S-3		Select & Approve Solution	2																								
S-4		Submit Capex	2																								
I-0	Implementation																										
I-1		Service Level Profile	6																								
I-2		Operational Model	8																								
I-3		Operator Licence	13																								
I-4		Property	7																								
I-5		HR / People Issues	13																								
I-6		Layout & Equipment	7																								
I-7		IT Special Needs	7																								
I-8		Optimise & POD roll-out	12																								
I-9		Re-charges	4																								

## Fast Track Opportunities

- **Availability of tested Management Server Infrastructure**
  - Enables concurrent projects to be planned and implemented
- **RHG/HSP**
  - Similar operational model – trunking and cross-docking
  - Host site RHG with established working practices
  - Optrak operational and established delivery time-windows
  - HSP third party operations – Southampton/Leeds/Northampton
  - HSP in-house operations – London/Newcastle/Ivybridge
- **RHG/TPC**
  - Areas with no HSP operations
  - Potential manual interim solution for routing
  - Belfast – facilitated by warehouse opportunity
  - Aberdeen – RHG third party

## Regional Roll-out

- Scotland
- Northern Ireland
- North West
- North East
- North Central
- Midlands
- East Anglia
- London
- South West
- South Central
- South East

## Delivering the Compelling Vision

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- Generate savings to re-invest into the organisation and drive growth
- Improve overall service offering across all op-co's
- Leverage a winning supply chain market strategy into the market
- Increase emphasis and focus on key functional areas

The Delivery Company

28th November 2006

John Ball

Director

The Delivery Company

PaperlinX


PaperlinX

# Robert Horne Group Company Overview and Value Proposition


28<sup>th</sup> November 2006

## Robert Horne Group

- ☐ A brief overview of the business
- ☐ Our recent history
- ☐ Our key areas of focus
- ☐ Our challenges
- ☐ Our strategy for profitable growth

 Robert Horne Group

☐ Know-how in paper, board and plastics

 Robert Horne Group

☐ Know-how in paper, board and plastics

## Key Data

- ☐ £300m sales
- ☐ 855 Employees
- ☐ 1 Central Distribution Centre
- ☐ 8 Regional Distribution Centres
- ☐ 20 locations
- ☐ 9100 Stock SKUs


 Robert Home Group

☐ Know-how in paper, board and plastics

## Our Orientation

*How do our customers see us?*

- ☐ Leading **environmental** merchant
- ☐ Value **differentiation** with our product mix
- ☐ **Knowledgeable** & professional service provider

 Robert Home Group

☐ Know-how in paper, board and plastics

## Our Orientation

*What do we offer our employees?*

- ☐ Strong on recruitment, retention, training, coaching, communication
- ☐ An environment where people can grow, succeed and enjoy what they do
- ☐ Strong culture with VBM focus

☒ Robert Horne Group

☐ Know-how in paper, board and plastics

## Have Your Say ... Results

	2004	2005	2006
Overall Satisfaction Rating	62	66	68
I feel proud to work for Robert Horne	69	69	70

Note: Excellent rating = > 66% as benchmarked by ETS

☒ Robert Horne Group

☐ Know-how in paper, board and plastics

## Our Recent History

- Significant Growth in 1990s
  - 7 acquisitions
  - DOUBLED our people, SKU's and capital employed!
  - Continuous **reduction** in economic profit
- Rationalisation and Focus 2000 – 2005
  - **11** to **4** operating companies
  - Headcount **reduced by 30%**
  - **New Structure** and Corporate Identity
  - Value Based Management (VBM)

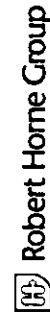


Robert Home Group

□ Know-how in paper, board and plastics

## Our Key Areas of Focus

	<u>Sales</u>
□ Commercial Print	£165m
□ Business Papers	£ 56m
□ Sign & Display	£ 79m
	<hr/> £300 million




Robert Home Group

□ Know-how in paper, board and plastics



## Our Challenges


- ☐ Overcapacity for both suppliers and customers
- ☐ Customer consolidation and increasing leverage of large print groups
- ☐ Threat from Eastern Europe and Asia
- ☐ Disintermediation in Office (Business Papers) sector

 Robert Horn Group

☐ Know-how in paper, board and plastics

## Our Strategy for Profitable Growth

- ☐ Benchmark and leverage commercial position
- ☐ New Business Papers value proposition
- ☐ Enhanced environmental and value added product range
- ☐ Drive further reductions in working capital across all divisions
- ☐ Drive further evolution in e-business
- ☐ Develop Digital Solutions business

 Robert Horn Group

☐ Know-how in paper, board and plastics

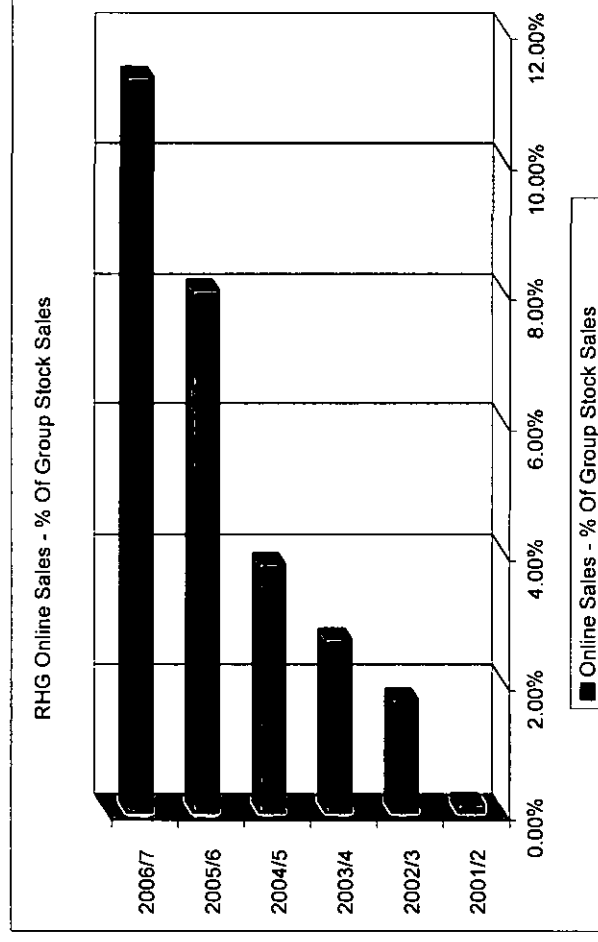
## Enhanced environmental and value added range

- ☐ Environmental focus a key competitive advantage and differentiator
- ☐ Full time environmental manager to support customers and end users in managing chain of custody
- ☐ Build on REVIVE with new specifications – 50/50 and 100% LWC launched September 06
- ☐ Restructure value added range and re-orientate back selling team to work in closed loop with Branches

☐ Robert Horne Group

☐ Know-how in paper, board and plastics

## e-business evolution




☐ Robert Horne Group

☐ Know-how in paper, board and plastics

## e-business evolution

- ☐ Roll out of direct ERP to ERP links with key customers
- ☐ Enhancement of internet based esp links - BITE 3
- ☐ Shopping cart programme to new target markets

 Robert Horne Group

☐ *Know-how in paper, board and plastics*

## Digital Solutions

- ☐ New wide format digital printing technology is being adopted by "single process" (sign/screen/litho) customers
- ☐ Digital capability is causing convergence across sign and display market
- ☐ Opportunity for Robert Horne to drive consumable product sales by offerings complete digital packages:
  - Machine, software, service, finance, media and inks

 Robert Horne Group

☐ *Know-how in paper, board and plastics*

## Digital Solutions

- ☐ A portfolio of wide format inkjet roll-to-roll and flatbed printers to cover key price/productivity combinations from low cost entry machines to production workhorses, from leading manufacturers including **Roland, Mimaki, Agfa and VUTEK**
- ☐ Industry leading design and device driving software, including **Onyx and Signlab**

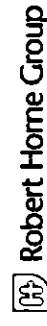


**Robert Home Group**

☐ *Know-how in paper, board and plastics*

## Digital Solutions

- ☐ Comprehensive selection of both aqueous and solvent inkjet media with related profiles, from a combination of both manufacturer and RHG own brands such as **dtec, Avery and Kentmere**
- ☐ Inks and cartridges to complement all printers supplied
- ☐ Extensive range of finishing machinery and associated consumables from **Seal, Mactac, Avery and dtec**
- ☐ Full demonstration facilities giving the opportunity for hands on trials, operator and applications training
- ☐ Expert know-how, experience and technical support unparalleled in the graphic display industry



**Robert Home Group**

☐ *Know-how in paper, board and plastics*

## Digital Solutions

- ☐ New Digital Solutions business started July '05
- ☐ Demonstration suite established August '05
- ☐ Specialists recruited October - December '05
- ☐ Strong initial sales growth in 2006
- ☐ Full roll-out across Sign & Display and Commercial Print 2006/7



Robert Horne Group

☐ Know-how in paper, board and plastics



HSP  
GROUP

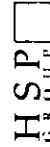
# PaperlinX

Welcome to

Howard Smith Paper Group  
Malcolm Lane-Ley – Managing Director  
28<sup>th</sup> November 2006

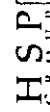
## The Howard Smith Paper Group

Founded	1958
Volume	350,000 tonnes
Turnover	£ 235 million
Customers	4000
Suppliers	195
Strategic Suppliers	10 (81% of purchases)
Employees (FTE)	350
Warehouse	Central 10,000m <sup>2</sup> Regional (6) 8200m <sup>2</sup>
Warehouse Capacity – Main	48000 pallets
SKU'S	35000 tonnes
Regional Sales Offices	4000
Business Units	15 5

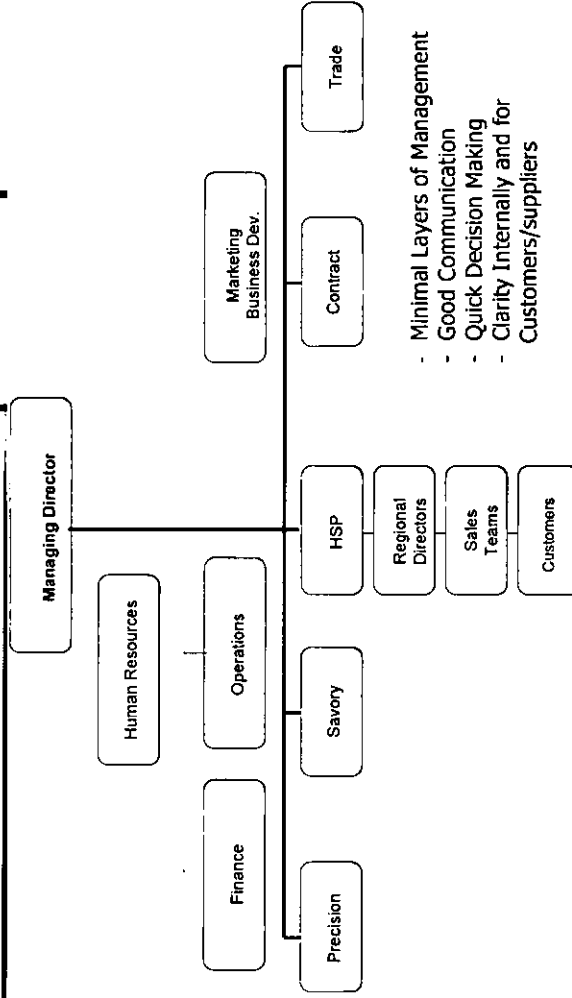


## Howard Smith Paper Group

- Divisionalised and customer segmented sales and distribution business
- 5 clearly defined sales divisions to focus on customers
  - Separate support functions at centre
- Centralised low cost to serve dark warehouse to support stock sales
- Customers served predominantly on a next day basis through hub and spoke system of distribution
- Clear position within PaperlinX UK – The 'Hardhat' – Site Manager not the Labourer!
  - Narrow and deep
  - Never need to say we're out of stock
  - Simple to use
  - No fuss reliable volume supplier
  - Low cost in use
  - Finding the most efficient processes between paper machine and finished print



# Howard Smith Paper Group



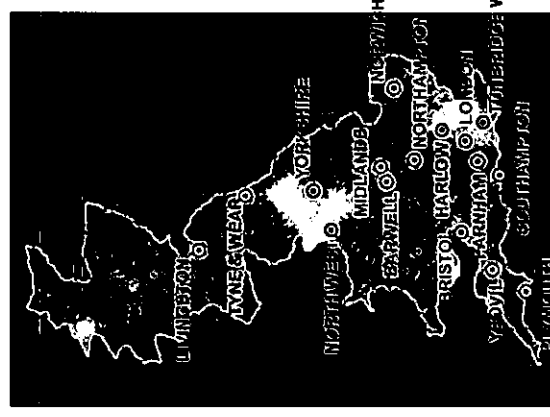
## Major opportunities for HSPG

- Polarisation of the UK marketplace
  - core capability of low cost to serve warehouse suits large, urgently required orders
  - well placed to serve F.M's
- Growth in HSWO and Heidelberg cutstar market
  - corporate sales teams chase the new decision makers
  - we're market leaders in coated paper reels
- Capitalising on PaperlinX's International supply position
  - appeal to International customers
  - well proven model in place for Publishing
- Growth in non-food product sales by supermarkets- Tesco, Asda
  - boom in home print output

## Major opportunities for HSPG

- Service improvements and lower cost to serve created by Delivery Company operation
- New ASW/IBS computer roll out 2007 to generate efficiencies in processing, M.I.S and create value through C.R.M module
- Strategic sourcing reinforcing alignment with sustainable partners to ensure unhindered growth
  - loss of Sittingbourne for Premier paper
  - loss of Townsend Hook for Denmaur
- Disarray in major competitors - plenty to go for!
  - Antalis
  - MAP merchants

## The Howard Smith Paper Group



### ☐ Customer Focus

- Segmented customers served by Business paper and Commercial print teams
- Extensive customer facing by senior management

### ☐ Management structure

- flat for agility in decision and communication
- local autonomy

### ☐ Products all designed for low cost in use e.g. Regency



# The Howard Smith Paper Group

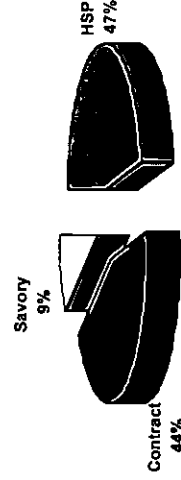
## Business Units

	No. of Employees	% of Group Volume
<b>HOWARD SMITH PAPER LTD</b> Stockist Paper Merchant – 65% stock/35% indent	249	43%
<b>CONTRACT PAPER LTD</b> Web Printers – 100% indent	16	25%
<b>SAVORY PAPER LTD</b> Business Forms – 80% Indent/20% Stock	16	14%
<b>PRECISION PUBLISHING LTD</b> Publishing books and magazines – 100% Indent	24	13%
<b>TRADE PAPER LTD</b> Specialist supplier to the retail trade	45	5%

# The Howard Smith Paper Group

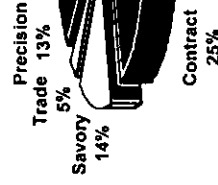
## Volume, split by business unit

Volume, 1994



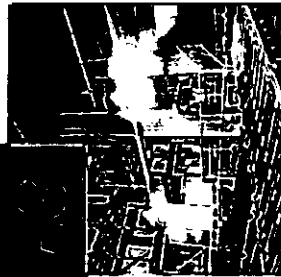
Total: 210,000 Tonnes

Volume, 2005/6



Total 360,000 Tonnes

## Howard Smith Paper

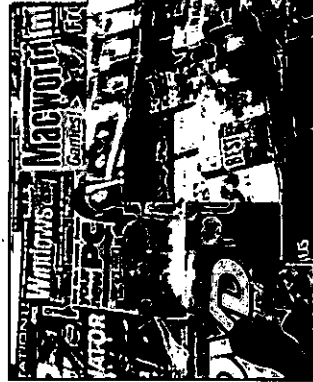


- Key operating business
- Stockist paper merchant
- 65% stock / 35% indent
- 24 Hours, 5 Days/week operation
- 24 hour emergency hotline
- Automated facilities have allowed substantial and sustained, cost effective, growth.
- Automated systems ensure accuracy/reliability of deliveries (99.8% recorded)
- 150,000 tonnes



HSP  
GROUP

## Contract Paper



Contract Paper are the UK's foremost web offset paper merchant.

- 100% indent
- Key supplier is Sappi, which Contract act as primary UK sales outlet
- Market leading 24 hour mill stock deliveries - Blackburn
- Contract supply the majority of the UK's web presses
- Technical sales support
- 88,000 tonnes



HSP  
GROUP

## Savory Paper



### Savory sell specialist grades:

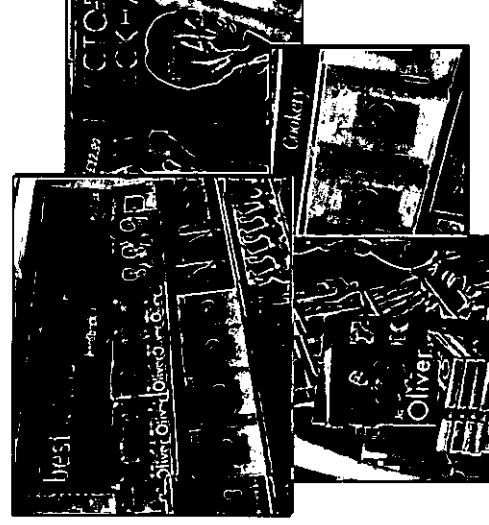
- Continuous stationery
- Direct mail
- Envelope papers
- Thermal grades
- Carbonless
- 80% indent / 20% stock
- 49,000 tonnes



SERVICEplus

H S P  
G R O U P

## Precision Publishing Papers



### Precision sell paper to publishers.

- Either who wish to buy paper themselves, or who wish to specify grades to their printers.
- Precision's Paper Management system creates high customer loyalty and improved margins. (42% of total sales)
- Large international accounts are handled through Precision in conjunction with PaperlinX international divisions e.g. Deutsche Papier, and Spicers Singapore



SERVICEplus

H S P  
G R O U P

## Trade Paper



 **SERVICEPlus**

End

 **TRADE PAPER**  
RETAIL SPECIALISTS

**Trade Paper have a unique position as a UK retail supplier.**

- Supplying OEM grades under licence: IBM, Fuji
- Producing own label ink jet products for leading UK and European retailers.
- Sourcing and packing for third parties.
- New automated packing line
- Offering a complete design and retail consultation service.

**H S P**  
GROUP

## Trade Paper

28<sup>th</sup> November 2006

Phil Dunmore - MD

*The key to our strategy is flexibility - if it can be done.....we will do it*

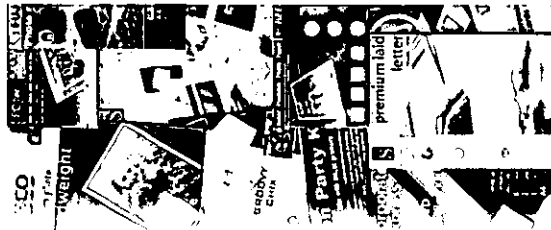
## Market Information

*The key to our strategy is flexibility - if it can be done.....we will do it*

## European Paper Market

- Sophisticated
  - World showcase via Cebit, Photokina, Paper World etc.
- Incestuous
  - Paper/Ink etc. - Limited number of major players at mill level/ink manufacturer
- Elitist
  - Perception of importance of stylised packaging/technical awareness
- Mature
  - Well-defined routes to market
- Volatile
  - Instant maturity, access, media tolerant printers

*The key to our strategy is flexibility - if it can be done.....we will do it*



**HSP**



**HSP**

## European Inkjet Market

- All consumables (paper, film and ink) £5 billion
- Ink = 80% therefore paper and film = £1 billion
- Approx. 35% of value is photo paper £350m

*The key to our strategy is flexibility - if it can be done.....we will do it*



## UK Digital Use

UK households = 26 million (Office of National Stats)

- 56% (2004/5) own a computer = 14.5 million
- 70% of computer owners have a printer = 10.1 million
- 80% of printers are inkjet = 8.1 million
- 85% of inkjet printers are colour capable = 6.9 million

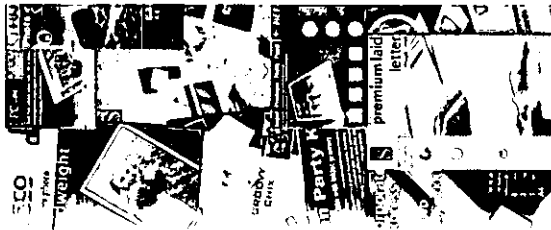
*The key to our strategy is flexibility - if it can be done.....we will do it*



## Macro Market Concerns

- Overcapacity
  - 300% supply to demand
- Margin erosion
  - too many links
  - buyer awareness
  - supplier tactics
- High costs
  - over-manning
  - lack of volume replacement

*The key to our strategy is flexibility - if it can be done.....we will do it*



## Market Drivers - Digital Cameras

- End user accustomed to home printing -- growth of home office.
- Digital camera sales
- 2003 - **11 million** units sold
  - 2007 - **24 million** units forecast
- Unit price falling/quality rising
- 2000 = approx. £400
  - 2004 = approx. £240
  - 2007 = approx. £200

*The key to our strategy is flexibility - if it can be done.....we will do it*

## Market Drivers - Digital Cameras

- UK largest ratio of population to digital camera owners
- UK gadget enthusiasts
- Germany largest total digital camera owners
- Netherlands higher ratio than Germany
- France probable fastest growing area for 2004/5



*The key to our strategy is flexibility - if it can be done.....we will do it*

**H.S.P.**

## Market Drivers - Other

- Arts & Craft is developing into a huge market. blank cards & envelopes and handmade papers are a natural addition to our core range
- Crucial to monitor technology, as it becomes more intelligent and affordable, the more end users want it
- Growing environmental responsibility
- Huge choice



*The key to our strategy is flexibility - if it can be done.....we will do it*

**H.S.P.**





## Market Developments

- Increase in A6 prints
- Multi-quantity packs  
From 10 sheets – 200 sheets
- Packaging options  
Carton, bag-wrap, ream, insertion
- Sub-contract conversion
- Digital sub-sector developments –  
business graphics

*The key to our strategy is flexibility - if it can be done.....we will do it*

# Market developments - supply

- 1<sup>st</sup> World
  - Maturity
  - High sunk costs
  - Inflexible
- New Asian low cost supply chains
  - TPL early access
  - Chain management
  - Very significant short to medium term raw material cost benefits

*The key to our strategy is flexibility - if it can be done.....we will do it*

## Market Opportunities

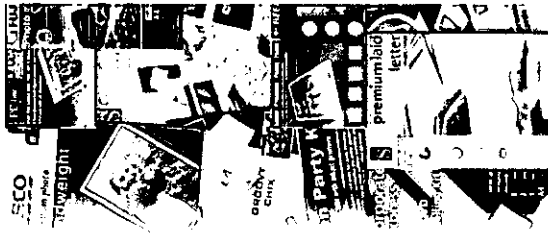
- Digital photographic growth
  - selective printing is actually a key advantage
  - 20 million p.a. by 2007 (1997 almost nothing)
  - A6 and smaller focus
- Fade resistant media
  - pigment inks
  - NEW papers with new coatings
- Traditional photographic market
  - digital acceptance
- Environmental range – commercial and responsible

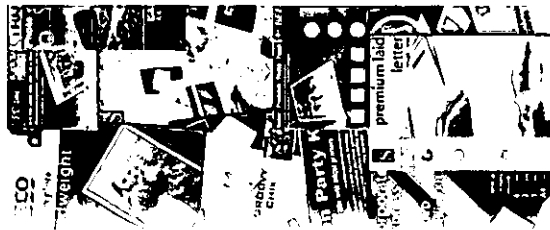
*The key to our strategy is flexibility - if it can be done.....we will do it*

## European Digital Media - key numbers

	Tot. packs	A4	A6
• 2003	92m	80m (87%)	12 m (13%)
• 2005	126m	95m (75%)	31m (25%)

*The key to our strategy is flexibility - if it can be done.....we will do it*





## How Trade Paper can help

The key to our strategy is flexibility - if it can be done.....we will do it

## We Understand Retail

It is the most demanding channel to supply,  
with unreasonable deadlines and ever changing  
requirements

**INNOVATION - SUPPORT - REACTION**  
*is crucial to maintain customer loyalty*

With changes from day to day, retail reacts to  
both end user requirements and new technology  
developments

The key to our strategy is flexibility - if it can be done.....we will do it



## We Understand Paper

That's why our customers rely on us for more than just a standard A4 sheet:

- **Cut size Bulk Papers**
- **Photographic Inkjet Paper**
- **Business Stationery** ~ Letterheads, CD labelling kits, OHP transparencies, labels, business cards,
- **Creative & Craft** ~ Handmade paper, colour paper, card & envelopes for art and craft projects
- **Added Value Products** ~ T-shirt transfers, jigsaws, tattoo, window films & much more

*The key to our strategy is flexibility - if it can be done.....we will do it*

## We Focus On Quality

- Priority consideration when handling paper
- From receipt, to production to finished product in storage
- Complete traceability & accountability
- Continuous on-line quality checks for raw material & finished packs
- Signed off line samples

*The key to our strategy is flexibility - if it can be done.....we will do it*



**HSP**  
GROUP

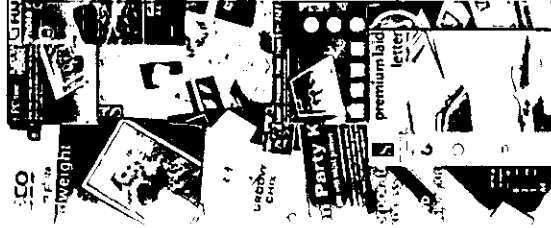


**HSP**  
GROUP

## Trade Paper is Unique

- In-house design, Sourcing, Manufacture
- Superb history of supply
- Customer service is our entire focus
- Comprehensive understanding of the retail market
- Meeting demands in terms of packaging, pricing and delivery
- Strict quality procedures
- Highly trained personnel

*The key to our strategy is flexibility - if it can be done.....we will do it*



## Trade Paper Ranges

- We specialise in creating own label packaging for our retail customer, predominantly selling paper
- Trade Paper is proud to be the retail partner for Fuji Inkjet Paper – see next slide for range
- As category experts we can also distribute third party brands and sometimes products that are not obviously sourced by a paper company
- Media – is our house brand which offers flexibility for new product listing

*The key to our strategy is flexibility - if it can be done.....we will do it*



## The Fuji Range



*The key to our strategy is flexibility - if it can be done.....we will do it*

## Support ....goes without saying

- **Forecasting** – we work with our customers to help create accurate forecasts which will make sure that there is always plenty of stock.
- **Marketing/Promotion & New Product Development** - Trade Paper are always thinking of ways to help the customer sell more, whether it be through promotions or capturing the market with new products

*The key to our strategy is flexibility - if it can be done.....we will do it*



## Support ....goes without saying

- Design Service

We specialise in consumer targeted retail packs – and particularly **Own Label** ranges. We also have an enviable range of Brands within our product portfolio including **Fuji**,

We also have our own in-house generic brand **Media** – which can offer the ultimate in flexibility, allowing our customers to trial new product ideas without needing to commit to large packaging runs or stockholdings.

*The key to our strategy is flexibility - if it can be done.....we will do it*

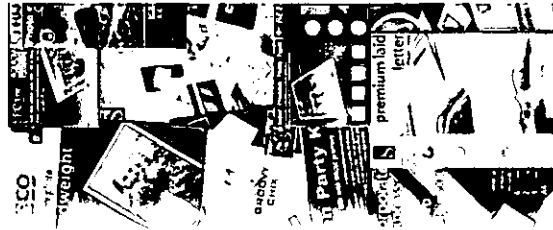


## Support ....goes without saying

Merchandising solutions and Planograms

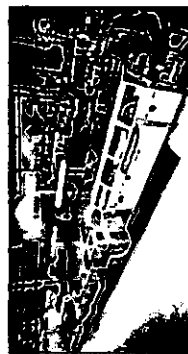
We know that customers need to maximise their space and we try to help by suggesting different methods of displaying products. We can help design Free Standing Display Units (FSDUs) and Counter Top Display Units (CDUs) or we can go to the customer and actually devise planograms of where the products should go on the shelf to make best use of the space

*The key to our strategy is flexibility - if it can be done.....we will do it*



## Production Facility

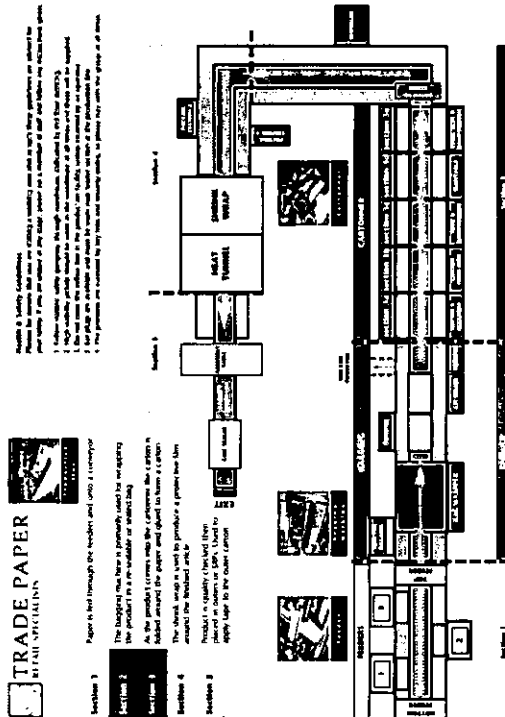
- The world's most sophisticated automated production facility, packing A4 & small format photo inkjet paper
- Features feeders, baggers & cartonner, offering total flexibility to fulfil customers requirements
- The line has been designed with total flexibility & focus on the quality of finished products



*The key to our strategy is flexibility - if it can be done.....we will do it*

**H S P**

### TRADE PAPER RETAIL SPECIALISTS



*The key to our strategy is flexibility - if it can be done.....we will do it*

**H S P**



## Capacity

- Single Shift  
—approx 5.2M packs p.a.
- Single Shift + Twilight Shift  
—equivalent to another half shift  
—approx 7.8M packs p.a.
- Double Shift Operation  
—approx 11M packs p.a.
- Three Shift Operation  
—approx 17M packs p.a.

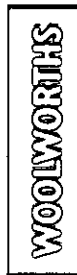
The key to our strategy is flexibility - if it can be done.....we will do it



HSP

## Retail Customers

Including:



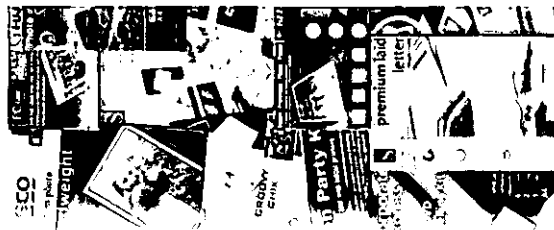
The key to our strategy is flexibility - if it can be done.....we will do it



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## Trade Paper Retail Activity

*The key to our strategy is flexibility - if it can be done.....we will do it*



**HSP**

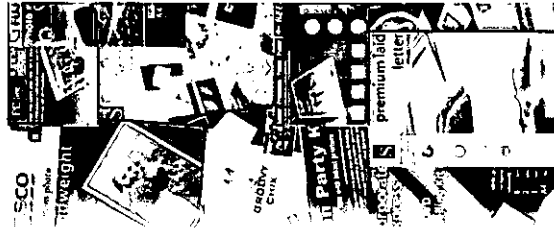
## Trade Paper Market Share

- TPL owns 10% of UK pack volume market share providing 1.8 million of the 18.4 million
- TPL owns 2% of total European market providing 2 million of the 92 million total European volume
- TPL has packs for sale in approximately 50% of UK retail outlets and exposure in many potential stores

*The key to our strategy is flexibility - if it can be done.....we will do it*



**HSP**



*The key to our strategy is flexibility - if it can be done.....we will do it*

**HSP**  
GROUP

**Any Questions?**



## Form 604

Corporations Act 2001  
Section 671B

## Notice of change of interests of substantial holder

To Company Name/Scheme PayvisionX LimitedACIARSN 005 146 350

## 1. Details of substantial holder (1)

Name AXA SA ("AXA"), AXA Asia Pacific Holdings Limited ("AXA APH") and various bodies corporate controlled by AXA and AXA APH listed in Schedule 1 (together, "the AXA Group") and certain other entities associated with AXA and AXA APH listed in Schedule 2.ACIARSN (if applicable) 069 123 011

This was a change in the interests of the substantial holder on

24/11/2006

The previous notice was given to the company on

16/11/2006

The previous notice was dated

16/11/2006

## 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	40,125,527	8.96%	46,969,554	10.48

## 3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected (ordinary shares unless stated otherwise)	Person's votes affected
See column 2 of Schedule 2.	Each person whose relevant interest has changed is listed in Schedule 2.	The change in the relevant interest occurred as a result of various transactions effected on the Australian Stock Exchange (see Schedule 2 for details, in particular column 3).	See column 4 of Schedule 2.	See column 5 of Schedule 2.	[See previous column.]

## 4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
The holders of a relevant interest are listed in Part A of Schedule 1.	The registered holders of the securities are various third parties acting as custodians on behalf of AXA Group entities (see also column 1 of Schedule 1).	[Not applicable.]	Each person listed in Part A(i) of Schedule 1 has a relevant interest because it has power to exercise or control the exercise of a right to vote or to dispose of the relevant securities (s 608(1)(b) and (c) Corporations Act 2001 ("CA")).  Each person listed in Part A(ii) of Schedule 1 has a relevant interest because it has voting power above 20% over one or more persons listed in Part A(i) of Schedule 1 (s 608(3) CA).	See column 5 of Schedule 2.	[See previous column.]

## 5. Changes in association

Persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
[Not applicable.]	[Not applicable.]

## 6. Addressees

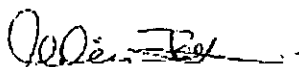
The addressees of persons named in this form are as follows:

Name	Address
See Parts A and B of Schedule 1 (column 1).	See Parts A and B of Schedule 1 (column 2).

## Signature

Print name: Milena Ickeringill

Capacity: Company Secretary, AXA Asia Pacific Holdings Limited



Signed here:

Date: 30 November 2006

## DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to the acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

# **SCHEDULE 1 - HOLDERS OF A RELEVANT INTEREST AND ASSOCIATES**

*Note: All information provided in this schedule is based on the information available to AXA AP'II at the time of filing this notice.*

## **PART A - PERSONS WITH A RELEVANT INTEREST**

Name	Address
<b>Part A(i) - Responsible entities / trustees / managers of funds / delegates of managers [s 608(1)(b) and (c)]</b>	
Various AXA Group entities which are responsible entities, trustees, managers of funds and delegates of managers, including those set out below	Not applicable
National Mutual Funds Management Limited	447 Collins Street, Melbourne, Victoria 3000
AXA Rosenberg Investment Managers LLC	4 Orinda Way Bldg E, San Francisco, CA 94102
AXA Investment Managers UK Ltd	7, Newgate Street, London EC1A 7NX, England
IPAC Securities Limited	447 Collins Street, Melbourne, Victoria 3000
IPAC Asset Management Limited	447 Collins Street, Melbourne, Victoria 3000
AllianceBernstein L.P.	1345 Avenue of the Americas, NYC 10105
AllianceBernstein Australia Limited	Level 29, 1 Farrer Place, Sydney, NSW 2000
Various custodians on behalf of various international entities ultimately controlled by AXA (details not available at time of filing)	Various
<b>Part A(ii) - Persons with voting power greater than 20% in persons listed in Parts A(i) and (ii)</b>	
Various AXA Group entities, including, as ultimate holding companies, those set out below	Not applicable
AXA SA	25 Avenue Matignon 75008 Paris France
AXA Asia Pacific Holdings Limited	447 Collins Street Melbourne, Victoria 3000
<b>Part A(iii) - Other relevant interests</b>	
[Not applicable]	

## **PART B - ASSOCIATES OF PERSONS WITH A RELEVANT INTEREST**

Name	Address
<b>Part (B)(i) - AXA Group Companies [associates by virtue of s 12(2)(a) of CA]</b>	
AXA SA	25 Avenue Matignon 75008 Paris France
Polio Nominees Pty Ltd	447 Collins Street, Melbourne, Victoria 3000

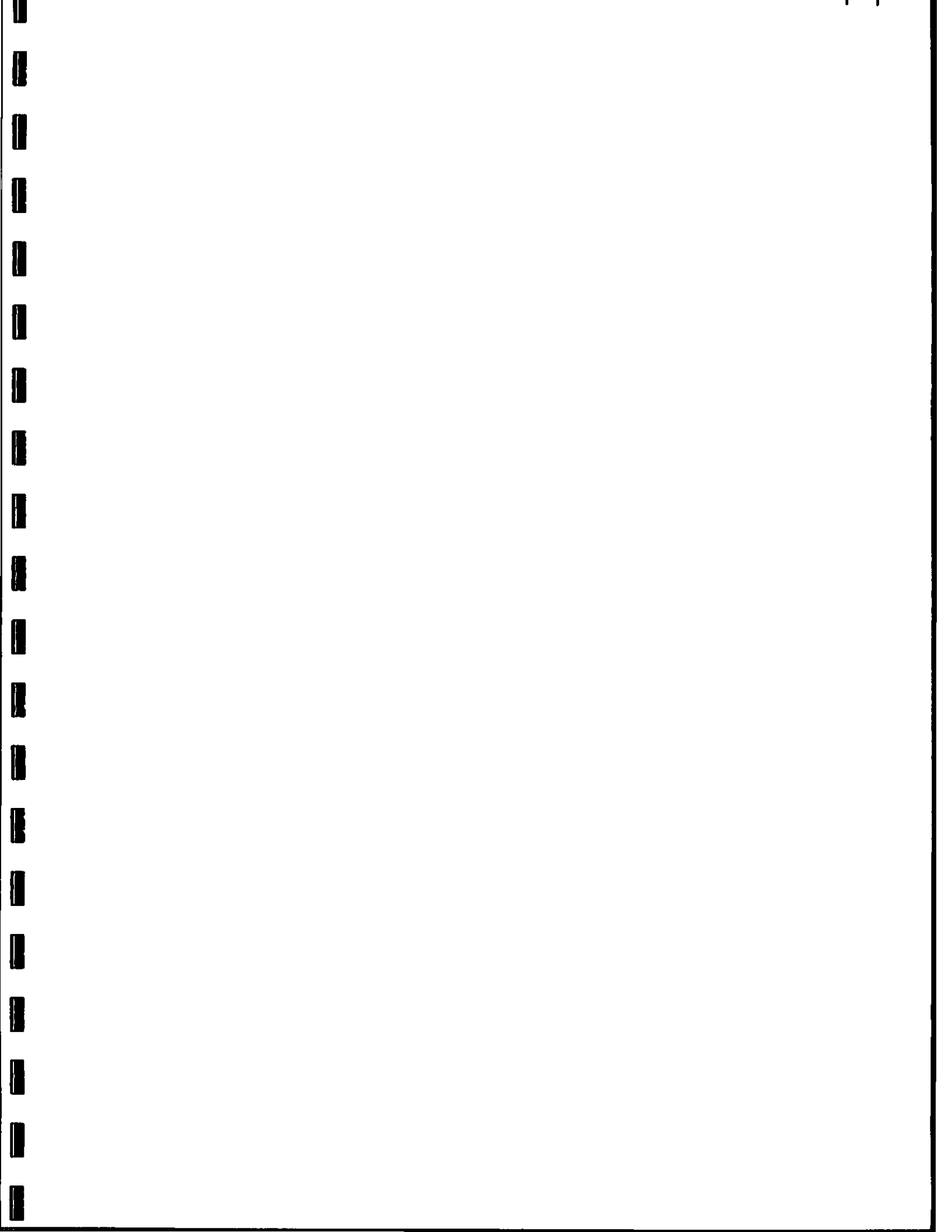


Name	Address
National Mutual Funds Management (Global) Limited	447 Collins Street, Melbourne, Victoria 3000
AXA Asia Pacific Holdings Limited	447 Collins Street, Melbourne, Victoria 3000
The National Mutual Life Association of Australasia Ltd	447 Collins Street, Melbourne, Victoria 3000
Ipac Asset Management Ltd	447 Collins Street, Melbourne, Victoria 3000
Ipac Financial Care Ltd	447 Collins Street, Melbourne, Victoria 3000
Ipac Portfolio Management Ltd	447 Collins Street, Melbourne, Victoria 3000
Ipac Financial Services Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Ipac Group Services Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
David Bird Financial Services Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Lidomein Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Walker Lawrence & Associates Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Strategic Planning Partners Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Albert & Will Financial Planning Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Financial Resources Group Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Clientcare Australia (Investments) Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
TM Securities Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Monere	447 Collins Street, Melbourne, Victoria 3000
Armitage Investment Services Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Armitage Group Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
Sterling Grace Portfolio Management Group Pty Ltd	447 Collins Street, Melbourne, Victoria 3000
SG Holdings Ltd	447 Collins Street, Melbourne, Victoria 3000
Alliance Capital Management Corporation of Delaware	1345 Avenue of the Americas, NYC 10105
AXA Equitable Life Insurance Company	1290 Avenue of the Americas, NYC 10105
AXA Financial, Inc.	1290 Avenue of the Americas, NYC 10105
NMMT Limited	447 Collins Street, Melbourne, Victoria 3000
National Mutual Funds Management NZ Limited	Level 6, 80 The Terrace, Wellington
A.C.M.C. Inc	1345 Avenue of the America, NYC 10105
Neuville Company Inc	C/-447 Collins Street, Melbourne, Victoria 3000

Entity		Address
Spicers Portfolio Management Ltd		Level 6, 80 The Terrace, Wellington
Assure New Zealand Ltd		Level 6, 80 The Terrace, Wellington
Arcus Investment Management Ltd		Level 6, 80 The Terrace, Wellington
Client Portfolio Administration Ltd		Level 6, 80 The Terrace, Wellington
Sterling Portfolio Management Ltd		Level 6, 80 The Terrace, Wellington
Client Reserve Ltd		Level 6, 80 The Terrace, Wellington
Mortgage Backed Bonds Limited		Level 6, 80 The Terrace, Wellington
In addition to the entities referred to above, each other entity in AXA's global corporate group which is ultimately controlled by AXA is an associate of a person whose relevant interest changes.		
<b>Part B(ii) - Other associates</b>		
Not applicable		

## SCHEDULE 2 - CHANGES IN RELEVANT INTERESTS

Holder of Relevant Interest	Date of Transaction	Transaction Type	Consideration	# Shares
<b>Westpac Custodian Nominees as custodian for National Mutual Funds Management Limited</b>				
	open			7,049,156.00
	08-Nov-06	BUY	- 206,743.84	49,000.00
	09-Nov-06	BUY	- 9,526,433.63	2,252,600.00
	16-Nov-06	BUY	- 2,428,658.92	563,100.00
	20-Nov-06	BUY	- 637,996.35	146,600.00
	22-Nov-06	BUY	- 896,640.27	205,200.00
	23-Nov-06	BUY	- 2,040,159.76	474,500.00
				<u>10,740,156.00</u>
<b>Westpac Custodian Nominees as custodian for ipac Securities Limited</b>				
	open			3,062,597.00
	08-Nov-06	BUY	- 96,639.09	22,999.00
	09-Nov-06	BUY	- 1,607,897.57	380,200.00
	14-Nov-06	BUY	- 102,646.64	23,993.00
	14-Nov-06	SELL	617,418.80	- 145,000.00
	15-Nov-06	BUY	- 75,200.31	17,514.00
	15-Nov-06	SELL	186,097.07	- 43,511.00
	16-Nov-06	BUY	- 409,398.70	95,000.00
	17-Nov-06	BUY	- 52,062.31	11,758.00
	20-Nov-06	BUY	- 66,093.12	15,187.00
	22-Nov-06	BUY	- 155,120.52	35,500.00
	23-Nov-06	BUY	- 356,938.72	83,000.00
				<u>3,559,237.00</u>
<b>Merril Lynch Custodian Nominees as custodian for ipac Securities Limited</b>				
	open			892,133.00
				<u>892,133.00</u>
<b>Various Nominees (International AXA Entities) Details not available at time of filing</b>				
	open			29,121,641.00
	Nov (8-24)	BUY		2,656,387.00
				<u>31,778,028.00</u>
<b>TOTAL</b>				<u><u>46,969,554.00</u></u>



# **PaperlinX North America**

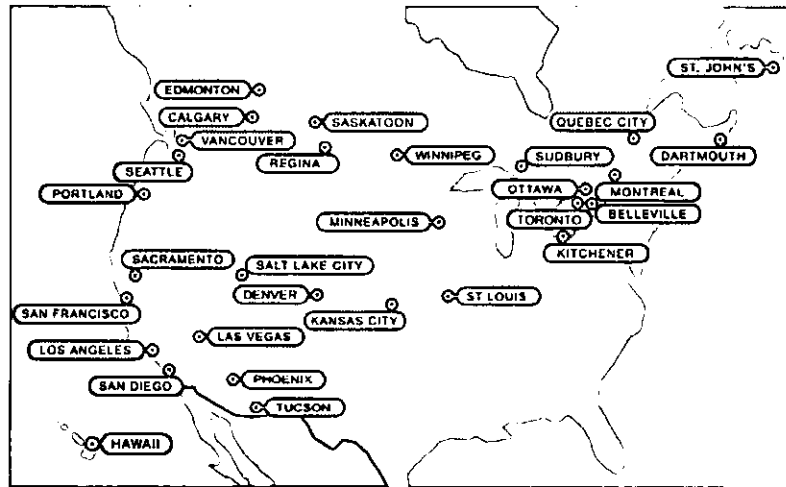
**Chris Creighton**  
President

## **PaperlinX North America**

			Locations
Spicers Inc	-	US West Coast	15
Kelly Paper	-	US West Coast	50
Coast Paper	-	Canada	9
Spicers	-	Canada	12

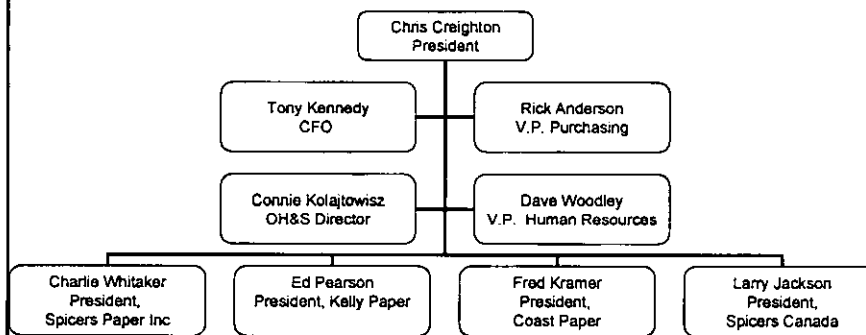
**PaperlinX**

## PaperlinX North America



**PaperlinX**

## PaperlinX North America - Management



**PaperlinX**

## History

1984/2000: S.P.L. acquires Noland, LaSalle, Fraser, Seaboard.

2000: PPX NA incorporated

2001: COAST PAPER

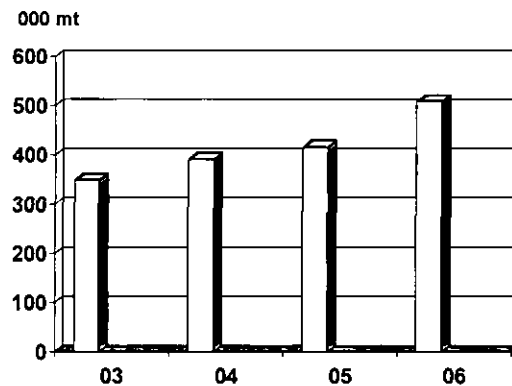
2003: PAPIER TURGEON (now Papier Coast)

2003: KELLY PAPER (via Buhrmann)

2006: CASCADES RESOURCES (now Spicers Canada)

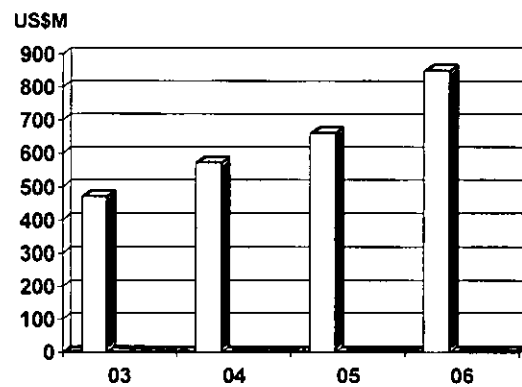
**PaperlinX**

## Volume Growth (000 tonnes)



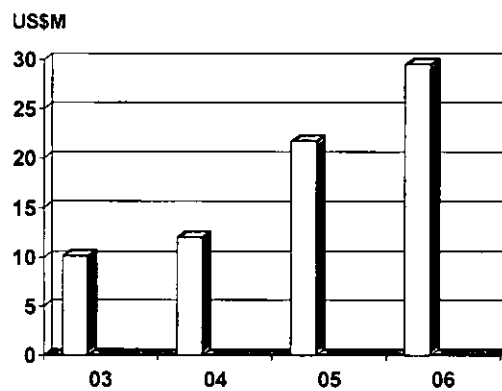
**PaperlinX**

## Revenue Growth (US\$M)



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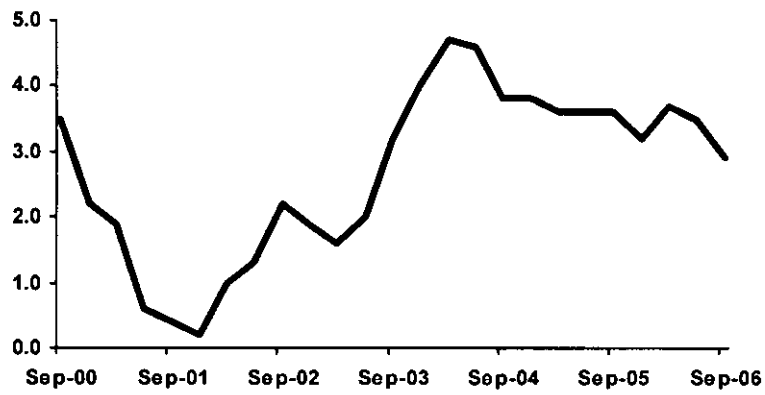
## EBIT Growth (US\$M)



PaperlinX



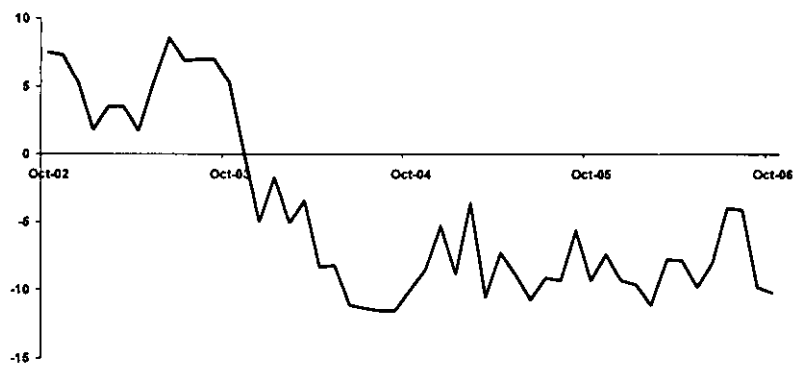
## US GDP Growth (% year on year)



PaperlinX

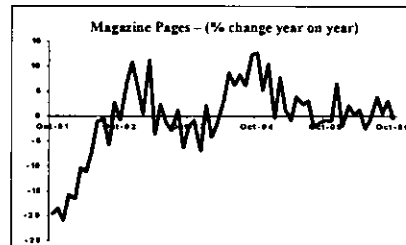
## US Employment

US Unemployment (% year on year)



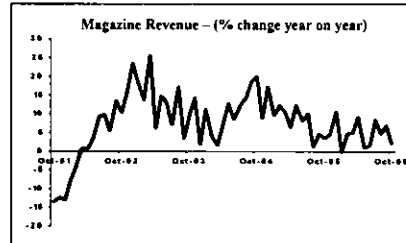
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## Advertising: North America



### Magazine Pages:

- OCT 06 down -0.4% vs. OCT 05
- YTD 06 up 0.6% vs. YTD 05



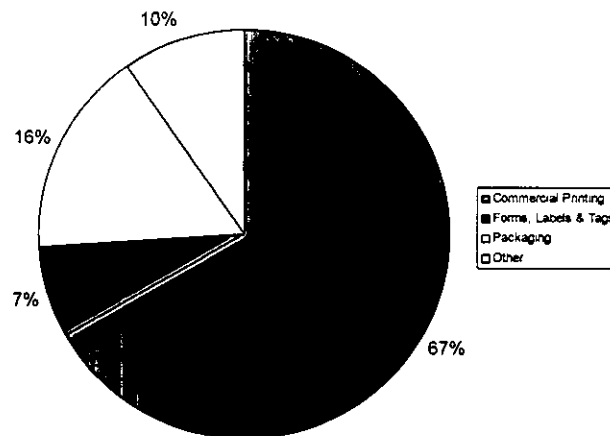
### Magazine Revenue:

- OCT 06 up 2.1% vs. OCT 05
- YTD 06 up 4.3% vs. YTD 05

Source: PIB

PaperlinX

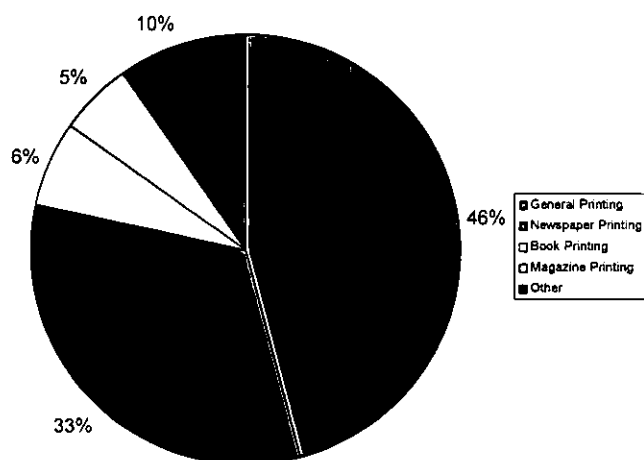
## US Total Print Market – 2005 (total shipments \$US165b)



Source: PIA

PaperlinX

## US Commercial Print Market – 2005 (total shipments \$US110b)



Source: PIA

**PaperlinX**

## NA Industry Statistics: September 2006

September 2006 v September 2005				
	Apparent Consumption % Change	Shipments %Change	Imports %Change	Capacity %Change
CFS	3.8	-4.0	33.4	-3.9
UCFS	0.1	-1.3	-10.5	-0.6
September 2006 YTD v September 2005 YTD				
	Apparent Consumption % Change	Shipments %Change	Imports %Change	Capacity %Change
CFS	5.6	0.5	18.1	-3.9
UCFS	-1.1	0.4	-13.7	-2.6

Source: RISI & Company Data

**PaperlinX**

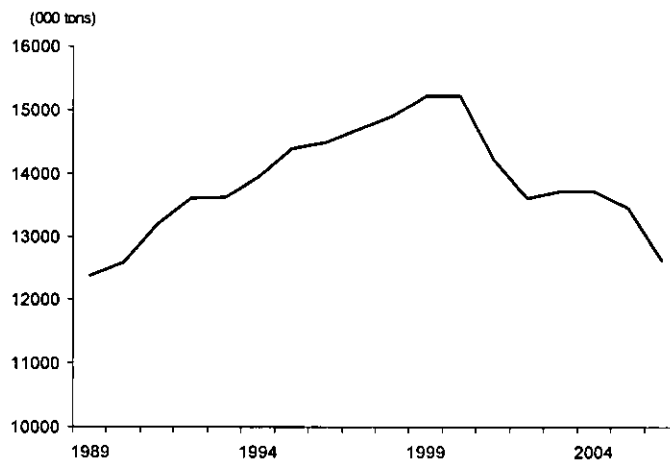
## North American Capacity Closures in 2005

### Printing and Writing Paper

International Paper	Pensacola, Fla	142,000
International Paper	Jay, Maine	88,000
Tembec	St Leonard-de-Portneuf, Que	75,000
Badger	Peshtigo, Wis.	70,000
Sappi	Muskegon, Mich	116,000
International Paper	Bastrop, La	300,000
Cascades	Thunder Bay, Ont	165,000
Pasadena Paper	Pasadena, Texas	190,000
Weyerhaeuser	Prince Albert, Sask	280,000
Stora Enso	Stevens Point, Wis	25,000
Domtar	Cornwall, Ont	265,000
Domtar	Ottawa, Ont	65,000
Domtar	Vancouver, B.C.	120,000
Total		1,901,000

**PaperlinX**

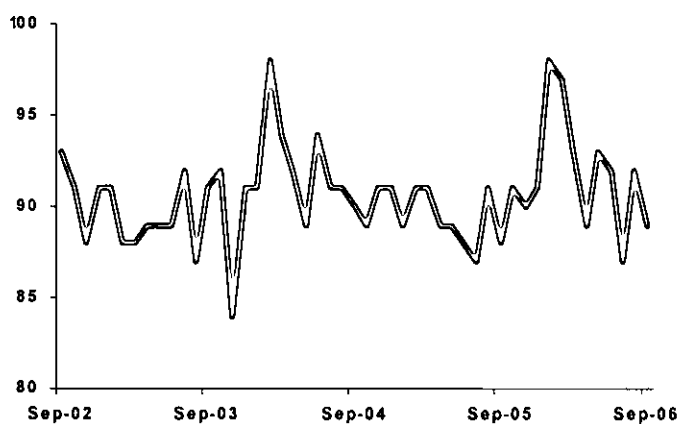
## NA Uncoated Woodfree Paper Capacity



Source: RISI & Company Data

**PaperlinX**

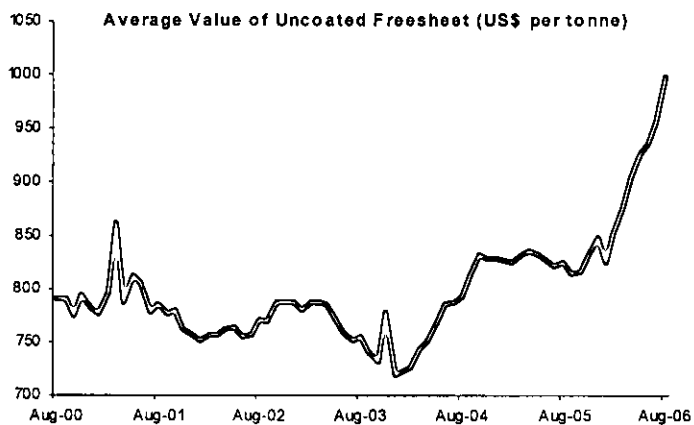
## Uncoated Woodfree Paper Operating Rate



Source: RISI & Company Data

PaperlinX

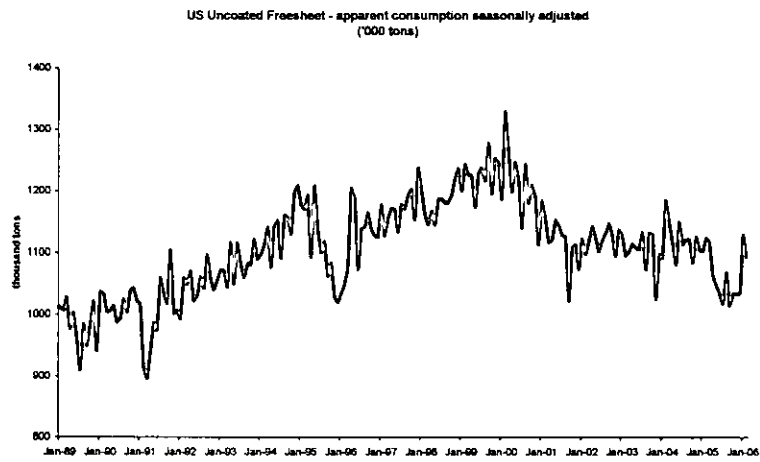
## Uncoated Woodfree Paper Pricing



Source: RISI & Company Data

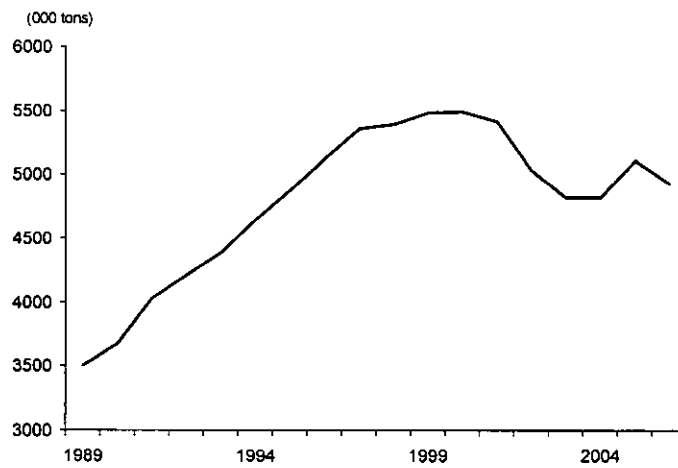
PaperlinX

## Uncoated Woodfree Paper Consumption



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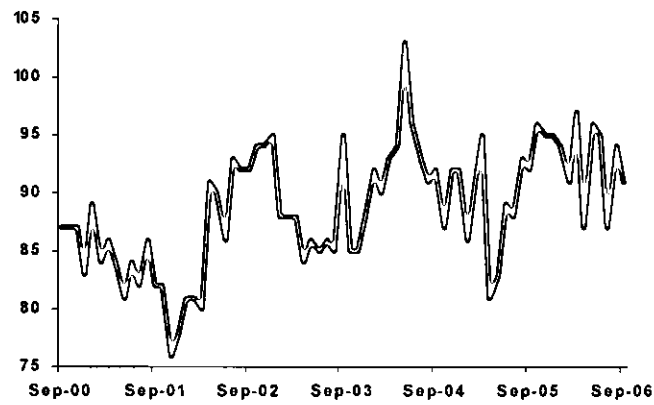
## NA Coated Woodfree Paper Capacity



Source: RISI & Company Data

PaperlinX

## Coated Woodfree Paper Operating Rate

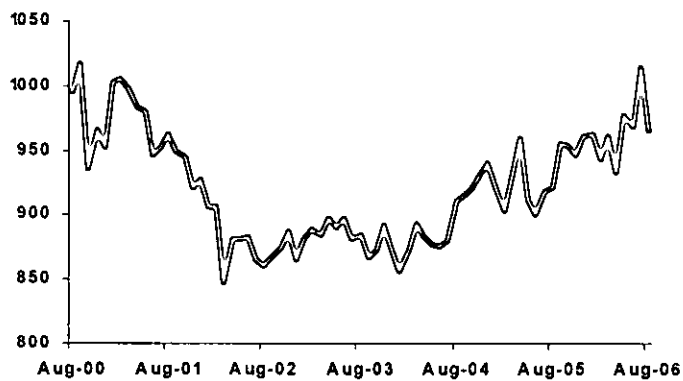


Source: RISI & Company Data

PaperlinX

## Coated Woodfree Paper Pricing

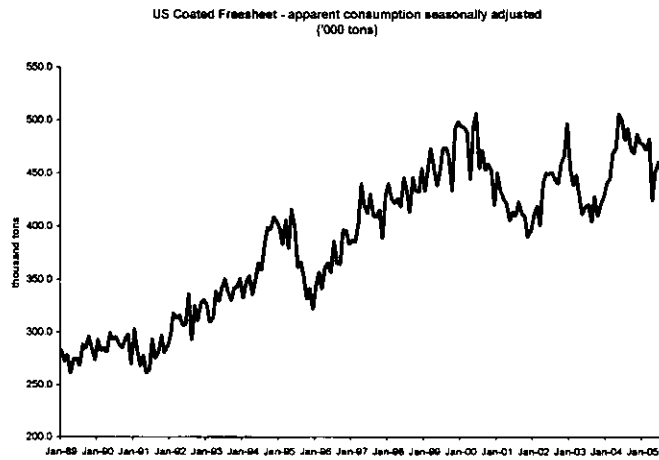
Average Value of Coated Freesheet (US\$ per tonne)



Source: RISI & Company Data

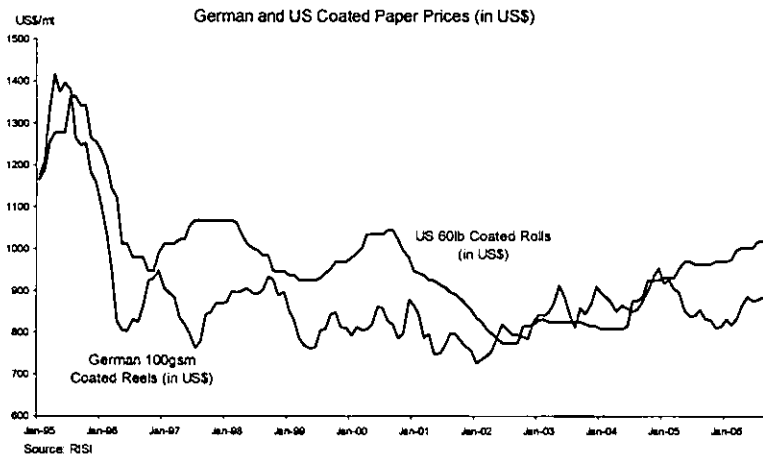
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## Coated Woodfree Paper Consumption



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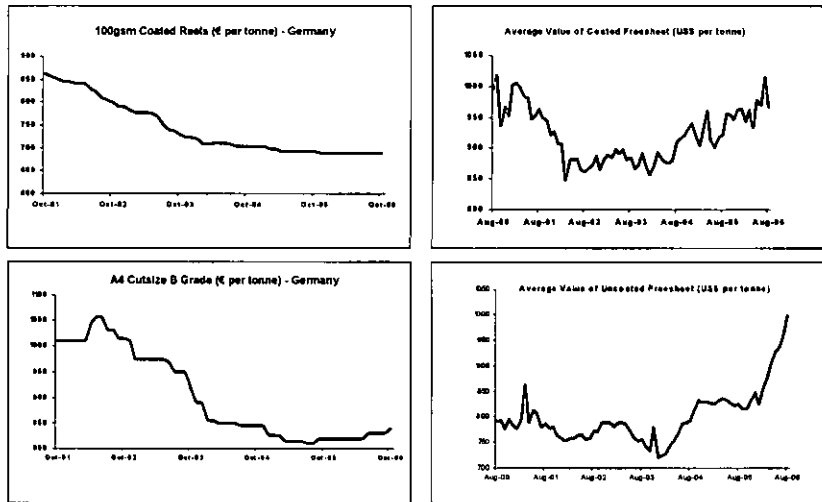
## US vs Europe Coated Prices (in US\$/tonne)



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## Europe vs US - Prices



Source: RISI & Company Data

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## North American Paper Industry Structure

- Key players
- Consolidation
  - uncoated commodity free sheet >65% with 2 parties
  - coated commodity free sheet >60% with 4 parties
  - SBS >60% with 2 parties
- Regional differences
- Capacity closures
  - major printer consolidation
- Imports / domestic supply

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## Key Paper Grades

- Pacesetter family
- "Kelly" brand penetration
- Endeavour recycled / FSC
- Discovery
- Supreme
- IPPRINT
- Mill exclusives

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## Key Suppliers

- Stora Enso
- Sappi
- International Paper
- Domtar/Weyerhaeuser
- Boise
- Burgo
- Moorim
- Lecta

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## Key Competitors / Competitive Landscape

- Xpedx (U.S. Only)
- Unisource (U.S. and Canada)
- Domtar Merchants (Canada and U.S. East/Tx.)
- Regional Independents
- Mill agents
- Brokers
- Mills direct

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## Merchant Value Proposition

- Spicers Canada: strategic partner in work flow solutions, technology and value added bundle
- Coast Paper: Paper specialist, end user bias, graphics in West, converting and FSC bias
- Kelly Paper: leaders in small to medium size printer segment. Graphics/consumables/Kelly brands
- Spicers Paper Inc.: Proprietary coated paper specialists, converting, FSC, superior service.

**PaperlinX**

## PaperlinX Canada Limited

November 30<sup>th</sup>, 2006



**PaperlinX**

### Review of Cascades Resources Acquisition

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#### PaperlinX Acquisition Criteria

- Strong Customer Relationship
- Quality Supply Franchises
- Quality People
- Ability to extract synergy via in market scale
- Meet minimum 15% ROAFE by year 3

## Major Projects

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- Single IT Platform
- Combined Benefits and Pension
- Review of Logistics
- Review of Structure
- Quebec City Integration
- Sale of West
- Alignment with Strategic Suppliers

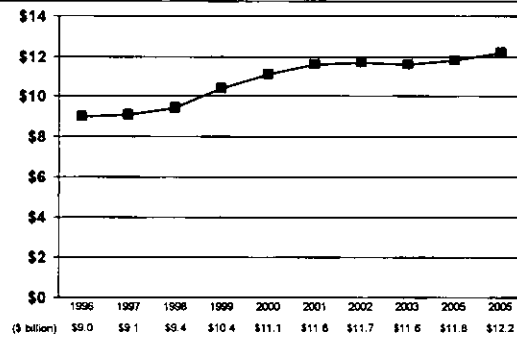
## Canadian Printing Industry

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### 2005 Canadian Printing Industry - \$23 Billion

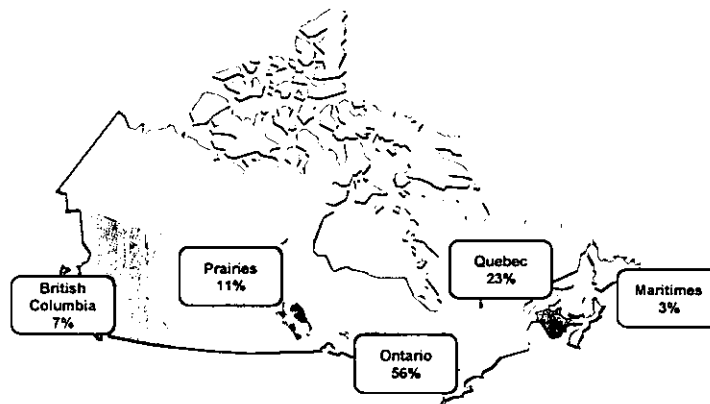
The industry continues to have consistent growth despite the influence on communication of the Internet and the strengthening of the Canadian dollar.

\$12 billion	-	Shipments – largest manufacturing in Canada
\$11 billion	-	Additional spin off to other sectors of the economy
\$1.7 billion	-	Worldwide exports
5,800	-	Businesses
84,000	-	Employees – 4 <sup>th</sup> largest employer in Canada



Source: Canadian Printing Industry Assoc.

### Regional Distribution Of Printing Industry Volume – Canada (2005)



### Woodfree Printing & Writing Shipments

#### 2005 Woodfree Printing & Writing Shipments within Canada Metric Tons (000's)

	Domestic	Imports	Total	% Imports
Coated				
Woodfree	87	402	489	80%
Uncoated				
Woodfree	457	418	875	48%
TOTAL	544	820	1,364	60%

Source: Stats Canada, Pulp & Paper Canada

## Canadian Paper Capacity Changes (000's Short Tons)

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### Canadian Paper Capacity Changes (000's Short Tons)

#### Coated Woodfree

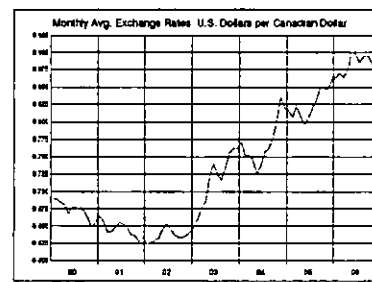
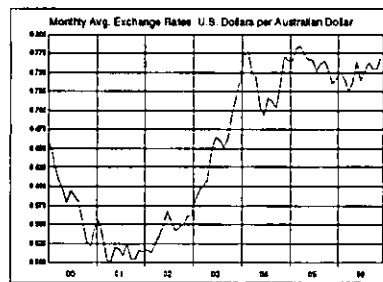
Cascades	Thunder bay, ON	31	Jan. 06
Domtar	Ottawa, ON	30	March 06
Domtar	Corwall, ON	126	March 06
Domtar	New Westminster, BC	134	June 06
Total		321	

#### Uncoated Woodfree

Domtar	Corwall, ON	85	March 05
Cascades	St. Jerome, QC	10	Dec. 05
Weyerhaeuser	Prince Albert, SK	280	Dec. 05
Domtar	Ottawa, ON	35	March 06
Domtar	Corwall, ON	53	March 06
Weyerhaeuser	Dryden, ON	155	April 06
Total		618	

## Exchange Rates

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## Canadian Merchant Market

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Paper Market - Approx. CAD \$ 2.1 Billion CDN

Major Competitors - Domtar Merchants  
Unisource  
Cascades Resources / Gould  
Others

## Value Offering

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### ***Delivering Value***

*PaperlinX Canada is the bridge that links knowledge to people, product to market and resources to industry. We recognize your need to streamline procurement and trim waste. By making available a diverse range of products, supported by a team of knowledgeable technical specialists, we address your companies procurement needs from your front office through to your shipping bay doors.*

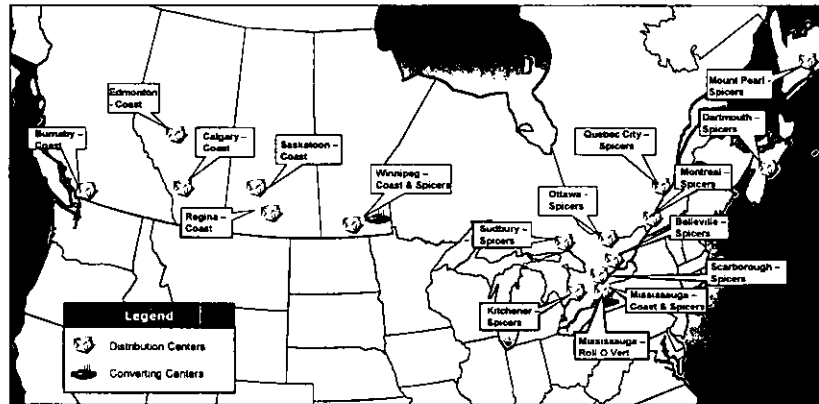
- ***Printing papers***
- ***Business imaging***
- ***Consumer brands***
- ***Packaging + shipping***
- ***Sanitation + maintenance***
- ***Graphic supplies + systems***





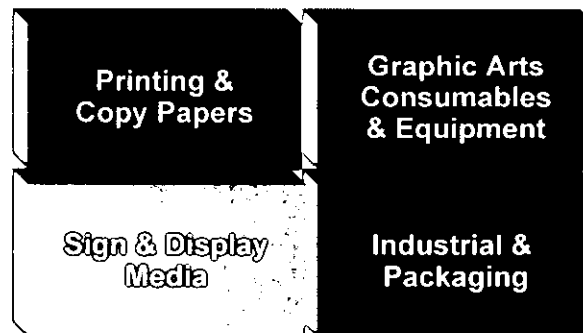
## Coast & Spicers' Locations

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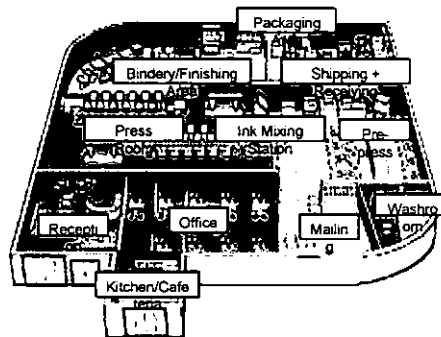


## Focus on 4 Customer Segments

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PRINTER / CUSTOMER



ONE STOP SHOPPING

Product / Customer Segment Matrix

